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Exploring Market Opportunities for Women in Wine in the South African and Global Wine Industries

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Mission in a Bottle

Exploring Market Expansion
Opportunities for Women in Wine

Emily McLean, Lea Strangio, Aline Tomasian,
Logan Visser





South Africa has an established wine industry, with European settlers planting the first wine farms in the late 1600s. While Blacks and women have been intimately involved in the success of the industry, serving as farm laborers, neither group has owned a wine production company in South Africa until recently. Women in Wine is South Africa's first wine company to be completely owned and operated by Black women. Following ten years of growth and success, Women in Wine is seeking new opportunities for expansion. Using a mixed-methods approach, this project explored how Women in Wine is positioned in both the domestic and US markets, offering recommendations on future directions. Our findings indicate that Women in Wine could take three main directions—refine its 'concept brand' for the current market, rebrand its super-premium incorporate features that buyers and consumers view as high end, and establish a “home” for the brand by obtaining and operating farm land.



Authorship

Emily McLean, Lea Strangio, Aline Tomasian, and Logan Visser all contributed to the research and writing of this report. The team took a very collaborative approach, with each team member taking time to add to and edit every section of the report for grammar, content, and flow of the paper. Many sections of this paper were written collaboratively and later edited by each member. Other sections, included below, were drafted by individual members but were extensively added to and edited by other members of the group. Due to the overall complexity of our project, every section required multiple edits and rewrites by various members of the team. This makes it difficult to assign an author to any one section of this report. In place of this, we have broken down the various roles that each group member typically took in the writing process.

Emily contributed to this report by drafting portions of the key findings section, a section of the background involving New and Old World wines, and abstract. Finally, Emily contributed to editing and formatting the final executive summary.

Lea was primarily an editor in the writing process. She drafted a few sections of the report, including United States Wine Industry: Organizational Setup and a portion of the Key Findings, but mostly contributed by editing and rewriting sections as needed. She was also responsible for most of the figures and graphics, organizing the consumer data and appendices, and assembling and formatting the final report document.

Aline contributed by to this report by drafting South African Wine Industry: Organizational Setup, the research regarding consumer segmentations, and Fairtrade certification. She also drafted the recommendations section, and portions of the findings section and executive summary.

Logan drafted sections of the report, including United States Wine Industry: Understanding Distributor Perceptions and Racial Tensions in the South African Wine Industry, as well as conducted additional background research that was necessary once we began our project. In addition, she kept the references and citations complete, organized, and formatted correctly.

This report represents the work of WPI undergraduate students submitted to the faculty as evidence of completion of a degree requirement. WPI routinely publishes these reports on its website without editorial or peer review. For more information about the projects program at WPI, please see

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Table of Contents

Abstract	2
Authorship	3
Acknowledgements.....	4
Table of Contents.....	5
Introduction	8
Background.....	11
Women in Wine	11
The South African Wine Industry	13
Organizational Set Up	13
Racial Tensions in the South African Wine Industry	16
Understanding South African Consumer Perceptions.....	18
The United States Wine Industry	20
Organizational Setup	20
Understanding US Distributor Perceptions	21
Understanding US Consumer Perceptions	23
Key Branding Factors.....	24
Branding v. Marketing	24
Fairtrade Certification.....	24
Other Certifications.....	26
Storytelling	28
How Consumers Perceive Wine Labels	28
Methodology	30
I. Interviews with South African and US Distributors and Retailers	30
II. Interviews with South African Industry Professionals	31
III. Interview with US Marketing Professional	32
IV. Interviews with Consumers	32

Semi-Structured Interview Questions	33
Free Listing	34
Demographics Questionnaire	34
V. Online Survey to US Consumers.....	34
VI. Pile Sorting with US Consumers	35
Key Findings	37
Women in Wine was identified as an “artistic,” mid range wine in the US market.	37
Labeling design is important to effectively convey and position a brand.	39
The mission of a brand generally encourages consumers to purchase.	42
Fairtrade certification is not a critical factor to South African retailers and consumers, however most care about ethical production.	46
All retailers and distributors look for different components when making a deal with a wine company.	47
National, mid-range grocery store chain in South Africa	48
Woolworths	49
Love Wine	50
Cellar in the City	50
Caroline’s Fine Wine Cellar	51
Wijnhuis	51
Wine Vine	51
OZ Wine Company	52
Roy Goldstein.....	52
Selena Cuffe	52
Above all, taste and quality are the most important aspects of a wine according to consumers, retailers, and industry professionals.	53
Recommendations.....	55
Remain in the wine market as a mission-driven concept brand and focus on identifying niche retailers that are likely to list Women in Wine.....	55
Focus on entering the high-end market through rebranding.....	56
Purchase land individually or through partnerships to establish a “home” for the brand.	58
Appendix A.....	59
Appendix A1: Verbal Consent to Participate in Research	59

Appendix A2: Interview Questions for Distributors	59
Appendix A3: Interview Questions for Retailers	60
Appendix A4: Interview Questions for South African Industry Professionals.....	61
Appendix A5: Interview Questions for Marketing Experts	62
Appendix A6: Interview Questions for US Consumers	63
Appendix A7: Interview Questions for South African Consumers	63
Appendix A8: US Online Survey Consumer Questions	65
Appendix B	68
Appendix B1: Interview Responses from US Consumers at IGSD	68
Appendix B2: Interview Responses from US Consumers at Westborough Jazzercise	69
Appendix B3: Interview Responses from South African Consumers on Long St.	70
Appendix B4: US Free List Results.....	75
Appendix B5: US Online Survey Results.....	76
References	86



Introduction

In the global wine market, it has historically been difficult for wines from countries that did not traditionally produce wine, such as the US and South Africa, to become known and distributed. Wine consumers may find it difficult to change their perceptions of wine; it takes time for customers to realize that these modern brands craft wine with just as much passion and skill as traditional European producers. Despite being labeled as “New World” wine producers, these countries have been making wine for centuries (Puckette, 2012). It was only within the past two decades that these New World wines have broken into the market and become competitive with traditional wine producing countries like Italy and France, the “Old World” wine countries (Bisson, Waterhouse, Ebeler, Walker, & Lapsley, 2002, Mohan 2016). Similar difficulties are facing small wine producers in South Africa. South Africa’s established wineries have produced wine since the 1600s (Wines of South Africa, 2016b). Consequently, newer wine producers entering the domestic and global market find themselves needing to establish legitimacy. In order to navigate the complex market, a newly formed wine company needs to develop a careful strategy to reach target customers through effective partnerships and branding.

Many emerging wine producers in South Africa are Black-owned. Although Blacks have been involved in the wine industry for centuries—first working as slaves on White-owned wine farms, and then as paid farm employees—historically, Blacks have been excluded from ownership in the industry. In the past 25 years, various Black Employment Empowerment (BEE) initiatives in legislation have helped Black producers gain a foothold in the industry as owners (McGroarty, 2015). However, land for wine production is limited and expensive, and establishing a new name in the industry is costly and slow.

Women in Wine, established in 2006, is the first wine company in South Africa to be completely owned and operated by Black women. When the company began, it did not have any land or large capital investment, so the owners formed partnerships with pre-existing bottling and packaging companies, cellars, and farmers to produce their wine. The company aims to give women and their families a fair share in the wine industry, and progress their financial status by offering year-round employment. In order to provide women with the tools and the confidence to be successful in the workforce,

Women in Wine offers skills training programs to its employees. To further promote company values, Women in Wine only partners with establishments that comply with its socio-economic views, especially in regards to ethical and environmental practices. The company exports to China, Ireland, Spain, Sweden, and Denmark, and has a small domestic market in South Africa. It is looking to expand distribution both locally and internationally. However, the company faces marketing and distribution challenges as it expands because each country has different groups of customers and unique market setups.

Within South Africa, there are many stakeholders that collect information for the wine industry. The industry is led by multiple organizations put in place to market the country's wine as a whole and to ensure that opportunities exist for producers both domestically and internationally. In this environment of collaboration, it can be difficult for a wine company to stand out to retail wine buyers or distributors.

In the US, distribution is difficult for small wineries, especially international exporters, because they have to navigate through long and complex channels. Wineries are required to sell their wine through a vast network of importers, distributors, and retailers (Wine-Searcher, 2014). This network relies on independent relationships, as every entity within the network operates differently (Thach & Olsen, 2006). When wineries are able to sell their product directly to consumers, they are limited by laws that restrict quantities and require individual registrations and taxes for each state (Wine Institute, 2015).

Consumer bases also differ from country to country. While demographics accurately predict the buying preferences of South African wine drinkers (Ndanga, Louw, & Van, 2009), this is not true for US wine consumers. An accurate market segmentation of US wine consumers does not rely on demographics at all, but more appropriately groups individuals based on their personal buying patterns and preferences (Penn, 2014).

In order to be successful in local or international markets, it is crucial that a winery understands its target customer base and works to specifically meet their



Figure 1: The logo on Women in Wine's Premium wine (Women in Wine Logo)

expectations. Wineries must effectively communicate their key product and company features to consumers and retailers. Unfamiliar wineries present a risk to consumers because they are not sure what to expect from the product and are hesitant to waste their money. Consequently, distributors and retailers may be hesitant to partner with newer wineries (Thach & Olsen, 2006). Wineries can establish trust with potential consumers, retailers, and distributors through marketing and branding.

Currently, Women in Wine's branding includes their story, mission, and ethical practices. In the growing global wine market, customers are increasingly more concerned about how the wine they purchase was produced. For example, Fairtrade is a recognizable, credible certification that gives customers confidence about making socially conscious purchases (Fusenig, 2016). Branding also includes the history and the ownership behind the brand. As Blacks entered the South African economy two decades ago, regulations were established to ensure that Blacks were equitably incorporated into all businesses (VinPro, 2016b). These regulations created some distribution opportunities for Black-owned wine brands. However, the growth of Black-owned wine companies has slowed, requiring a reevaluation of their place in the market. This project aims to help Women in Wine identify strategies for domestic and international expansion by assessing its' products placement in the market, as influenced by the company's progressive social and environmental sustainability mission.



Background

In the global wine market, wines are categorized as either Old World or New World to describe their general differences in business structures and production histories (Remaud & Couderc, 2006). Old World wines are usually from traditional wine countries such as France, Italy, Spain, Portugal, and Greece. New World wine countries tend to be the newer entrants, which include the US, South Africa, Australia, New Zealand, Chile, and Argentina. In the late 1900s, New World wines made up 2% of world wine exports, growing only to 15% by 2002 (Bisson et al., 2002). Currently, according to Wine Industry Market Research & Statistics, Old World wines are no longer dominant over New World wines (as cited in Mohan, 2016). However, this progress is only recent, as many New World wine countries have been producing wine since the end of the age of exploration around the year 1700 (Puckette, 2012). In South Africa, the first wine was recorded being made even earlier, in 1659 (Wines of South Africa, 2016b). New World wine producers, such as those in South Africa, faced many challenges in entering the global wine industry due to their limited production size and new reputation (Mohan, 2016).

South Africa's wine market mimics the global wine market as it consists of companies that resemble both Old and New World wine brands. Many of South Africa's wineries have long-established histories of production on a given territory, which makes them similar to Old World wines (Karlsson, 2013). The country also has newer, smaller wineries with innovative winemakers and production processes. Globally, Old World companies focus on tradition and geography when marketing their wines. New World wines are less dependent on territory, so they often focus on their story and mission to develop their brand (Harvey, White & Frost, 2014). Just as New World wines struggled to enter the global wine market, these newer wine producers struggle to gain a large presence in the South African wine market.

Women in Wine

Women in Wine, founded in 2006, is one of these new South African wine companies. It is a "virtual" company positioned higher in the value chain that sources its wine from the Boland wine cellar in Paarl, South Africa. The bottling and packaging

takes place at Paarl Valley Bottling Company, where it is stored until it is ready to be shipped. Women in Wine adopted this production process due to limited funds. Obtaining substantial amounts of land for vineyards in the Western Cape is difficult and expensive, and many new brands are finding it more effective to enter the wine industry higher in the value chain; they establish themselves as a brand before they attempt to purchase vineyards.

Currently, Women in Wine sells three ranges of wine. This project focuses on their most popular category, the Premium collection. This set of wines consists of the Sauvignon Blanc, Chardonnay, and Cabernet Sauvignon (Women in Wine, 2015b). These wines are aged minimally before they are distributed and are thus sold as a low-end wine. Women in Wine also sells Super Premium and Reserve wines that are produced in smaller quantities, are of an older vintage, and are sold at a higher price point. The Reserve wines are sold exclusively to international restaurants and are not distributed to retail stores.

So far, Women in Wine has mainly distributed its products internationally in regions of China, England, Sweden, Denmark (Women in Wine, 2015a). Going forward, the company is hoping to expand their distribution into the US, as well as establish a

Figure 2: Founders of Women in Wine (Women in Wine Group Photo)



larger domestic customer base in South Africa. Building a recognizable brand in South Africa is proving to be significantly difficult for Women in Wine due to complex factors in the domestic wine industry, including a legacy of economic prejudices, complex organizational setup, and varying consumer preferences. Furthermore, expansion into the US is met with global competition, complex distribution channels, and legislation that the company must navigate in order to reach a diverse range of consumers.

The South African Wine Industry

Organizational Set Up

South Africa is the eighth largest wine producer in the current global market, producing 4.1% of the world's wine and employing over 300,000 people (Wines of South Africa, 2016d). The South African wine industry operates on a network of multiple cooperatives, which creates a long and complicated distribution chain. Wineries have lost nearly all direct contact with consumers, which has resulted in lower profit margins; studies have shown that “of the average retails (shelf) price of R24 for a 750ml bottle of wine, the producing winery receives only 44 cents” (Kirkman, 2010). Distributors and retailers currently gain more profit than the producer themselves (Kirkman, 2010).

Due to the complexity of the wine market, there are many organizations in South Africa that help represent wine brands in the global market. Each organization tackles a different aspect of the industry, such as domestic and international marketing, branding, legislation management, or production analysis.

Wines of South Africa (WOSA) was established in 1999 to aid the global success of all South African wine-producing exporters. It does not work for any independent producers or wholesalers, but instead is committed to promoting the South African wine industry as a whole. As a non-profit company, it is funded by the income from levies on all exported bottled wines (Wines Of South Africa, 2016a). WOSA's goal is to uphold the reputation of South African wine internationally in order to build new export markets and opportunities.

VinPro represents and unites 3,500 South African wine companies and stakeholders. This organization helps keep its members up to date on the current domestic wine industry and represents them in government policy matters (VinPro, 2016a). VinPro also conducts relevant studies to help its members better understand the changing and growing domestic wine industry and how they can better market their products to South African wine consumers. VinPro is also highly engaged in the transformation of the wine industry, and serves to help South African companies implement and comply with government regulations for job creation, ethical trade, and farm worker training.

South African Wine Industry Information & Systems (SAWIS) is a non-profit company that serves as the information collection center for the South African wine industry. This organization focuses on collecting and analyzing statistical data for the wine market, including crop production and utilization, sales and producer income, exports and imports, taxes, and international comparisons (Wines Of South Africa, 2016a). This information is helpful to individual wine companies to observe trends in sales and compare performance.

The Wine and Agricultural Ethical Trade Association (WIETA) is a non-profit organization that began in 2002 to cultivate ethical trade through training and assessment of members' compliance with its code of practice. WIETA works to increase awareness of ethical practices in the agricultural sector and create a dialogue between workers and stakeholders in the wine industry. A similar organization is the South African Wine Industry Trust (SAWIS). SAWIS promotes the empowerment of farm workers by overseeing transformation projects and programs for farm workers. SAWIS offers farm workers a community of support in order to give them fair treatment in the wine industry.

Treasure Chest is a collaboration of 14 Black-owned wine brands, including Women in Wine, that was recently established in South Africa. This alliance aims to promote the distribution of their wines as a collection of brands, rather than as separate entities. Treasure Chest attends wine road shows in various parts of South Africa to showcase its cooperative of wines to local buyers, distributors, and retailers (Treasure Chest, 2016). Through these shows, Treasure Chest is working to establish relationships with the retail industry and support ethically-produced wine. Ultimately, it seeks to demonstrate how buying from emerging brands is necessary to diversify the wine industry (Treasure Chest,



Figure 3: Organizations in the South African Wine Industry



Figure 4: The women who represent various Treasure Chest brands posing with their wine

2016). The long-term goal of this organization is to grow the influence of Black-owned brands nationally and to eventually found a collaborative wine cellar.

Due to the changing landscapes of the South African wine industry, many of these organizations, including VinPro, SAWIT, and Treasure Chest, have departments concentrating solely on the transformation of the industry. Transformation is a recent movement that focuses on upholding ethical standards, providing worker training, and supporting Black ownership. These departments and programs are funded and closely monitored by the government to make sure that specific regulations are met. These organizations can assist emerging companies such as Women in Wine find success by fostering equal opportunity.

Transformation and ethical practices are an even more important issue in South Africa in recent months. In October 2016, the Danish documentary “*Bitter Grapes—Slavery in the Vineyards*” was released in Europe. Through the documentary, filmmaker Tom Heinemann exposed the unethical practices of two South African wine farms and leveled

harsh accusations against them. Heinemann claims these wineries violate labor laws, pay low wages to farm workers, provide degrading living conditions for workers, and fail to provide protective equipment or training for toxic chemicals (Farber, 2016).

VinPro, WIETA, and WOSA, along with many South African wineries, have been quick to speak out and label the film as biased, narrow, and one-sided. WIETA believes that Heinemann “selectively reveal[ed] conditions on a few farms. This reflects a very narrow narrative of the progress that the wine industry had made in promoting and respecting farm worker rights.” Lipparoni, the CEO of WIETA, went on to state “the documentary has clearly been commissioned to be provocative and to create sensationalism” (2016). Unathi Mantshongo, an officer of Transformation and Development at VinPro, believes that while the film is harsh, it does point to the reality of conditions that need to be addressed in the South African wine industry. No matter what motivation Heinemann has behind his film, it has unquestionably caused uproar in Denmark and Scandinavia; several brands of South African wines have even been pulled from supermarket shelves in Europe due to the turmoil (Farber, 2016). All South African wine farms, by mere association with the two farms featured in the film, have subsequently been painted in a negative light.

Racial Tensions in the South African Wine Industry

Historically, there has been significant division over land ownership in South Africa. In the 1600s when the Dutch arrived, they pushed out the indigenous Africans and claimed ownership of the farmland for themselves. Since then, land has remained mostly in the ownership of Whites, although the legitimacy of their ownership is questioned. The African National Congress (ANC) in South Africa has made several attempts at land reform since they gained political control in the mid 1990s. The Restitution of Land Rights Act, passed in 1994 (Land & Accountability Research Center, 2016), was the first attempt of the government to restore land that was forcibly taken away from Black families under the Natives Land Act of 1913 (Stickler, 2012). Anyone was allowed to make a claim through the government for his or her land until December 1998 (Stickler, 2012). Through this program, the government received 63,455 claims, 74% of which were resolved before the act expired in 2014 (Land & Accountability Research Center, 2016). The resolution allowed individuals to either reclaim plots of land or provided cash compensation.

While this process of land redistribution was successful in compensating a large number of people for the land that was taken from them, overall it has been considered a failure (Land & Accountability Research Center, 2016). Only about one-fifth of the eligible families in South Africa filed claims. Of these, there are still 20,592 claims (over 25%) waiting to be resolved (Land & Accountability Research Center, 2016). Most of these families have been waiting over 15 years for their claims to be recognized. In addition, there are growing problems in rural farmland areas, as Black families who have regained land do not have the necessary skills or funds to properly maintain the farms (Iob, 2012). Land that was productive and fertile under the previous owners often is abandoned and unfruitful. As much as 90% of the redistributed farmland is currently not functional, which has resulted in a large loss of jobs, food, and revenue (BBS News, 2010). To solve this growing

problem, the government attempted to provide training to the new landowners on how to farm the land, but was only successful at reaching 1% of these farmers (Iob, 2012).

While the Restitution of Land Rights Act was largely a failure, the government still worked to solve this land issue. In order to “reconcile a bitterly divided population, and ... return to people what was cruelly and unlawfully taken from them,” something had to be done to resolve the dispute and division around land rights (du Plessis, 2004, p. 11). As such, in 2014 President Zuma signed an amendment to the original restitution act. This amendment extends the deadline for land claims to June 2019, includes some new regulations about land use, and prioritizes claims that have not yet been settled from the original act (Land & Accountability Research Center, 2016).

In June 2001, the government also passed the Land Redistribution for Agricultural Development Act (LRAD) to provide funding for underprivileged Black farmers to buy agricultural land (Department of Agriculture, Forestry, and Fisheries of the Republic of South Africa, 2001). This government grant requires applicants to be previously disadvantaged individuals (Black, Colored, or Indian) who possess an earnest

“[THERE IS] AN APPARENTLY INESCAPABLE TENSION BETWEEN TWO URGENT AND IMPORTANT OBJECTIVES, NAMELY:

1. THE NEED TO RECONCILE A BITTERLY DIVIDED POPULATION, AND

2. THE NEED TO RETURN TO PEOPLE WHAT WAS CRUELLY AND UNLAWFULLY TAKEN AWAY FROM THEM.”

***-JEAN DU PLESSIS, DEPUTY DIRECTOR,
COHRE***

desire to work on the land and are willing to contribute a portion of the funds to purchase the land (South African Government, 2016).

Still, tensions over wine farmlands in South Africa remain very high. Wineries have been established on the land for generations. Since the Dutch settlement in the 1600's, and through the Apartheid era when Blacks, Coloreds, and Indians were not allowed to own land in White areas, these businesses have remained all White-owned. Black wine brand owners and industry leaders believe they are at a historic disadvantage and argue that transformation of the wine industry must take place in order to help their companies succeed. Others, such as the owner of Love Wine in Stellenbosch, argue that farmland, especially portions large enough for vineyards, is expensive and difficult for anyone to acquire, regardless of race. Due to these varying viewpoints on fairness, land redistribution continues to be a challenging issue to settle for all parties involved.

Understanding South African Consumer Perceptions

For South African wine consumers, demographic differences can effectively identify consumer groups. The Black middle class, also known as the “Black Diamonds,” is gaining spending power and becoming a major segment of the wine consumer base (Ndanga, Louw, & Van Rooyen, 2009). A study conducted by a South African consumer intelligence company from 2006 to 2010 shows that Black wine consumers in South Africa are on the rise. Over the course of the four-year study, the proportion of Black wine consumers increased by 10%, with Blacks accounting for 63% of the total bottled wine consumers by 2010 (SA Wine Industry Information & Systems, 2011). According to a study conducted by the American Association of Wine Economists, the Black middle class, which is likely responsible for this increase, has sub-segments separated by age, occupation, education, and income (Ndanga, Louw, & Van Rooyen, 2009).

South African Consumer Segmentation

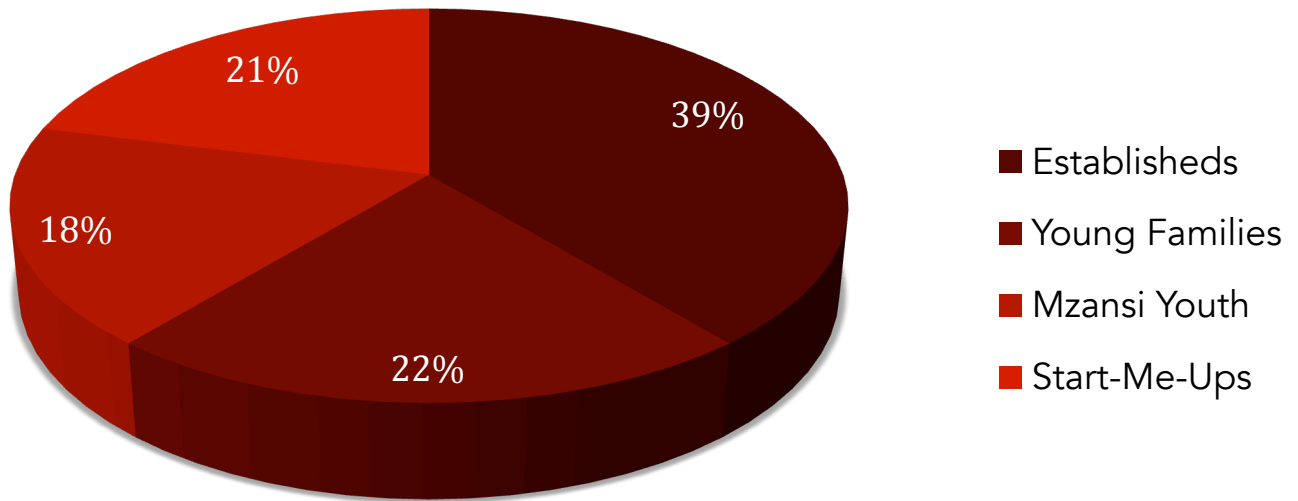


Figure 6: AAWE South African Consumer Segmentation

The sub-segments that make up the Black middle class are called the “Established,” the “Young Families,” the “Start-Me-Ups,” and the “Mzansi Youth.” The “Established” are the oldest segment, aged 35 to 49, they are also the wealthiest and highest educated. The “Young Families” segment accounts for under 10% of the Black middle class’ buying power, and is predominantly composed of female individuals, most of whom have children under the age of six. The “Mzansi Youth” includes young, single students with low incomes that are dependent on their families for financial support. The consumers in the aforementioned groups are either too experienced, not interested, or unable to afford new wine brands such as Women in Wine. The target market for a wine company must be interested in new wines and also able to afford it. The “Start-Me-Up” segment may be the most practical group for a wine company to direct marketing efforts toward because its members are open to experimentation and able to afford a wine-drinking lifestyle. Forming 21% of the Black middle class, this segment is composed of young, single consumers that have not yet built loyalty to a particular brand (Ndanga, Louw, & Van Rooyen, 2009). They have aspirations for a fun, high-class lifestyle and are willing to spend money on brands that they consider to be of good quality. If Women in Wine decides that its brand will be well received by this large and promising group, it can start tailoring its marketing efforts to reach and speak to these consumers. To capture the “Start-Me Ups,” a wine company should emphasize the quality of its wine, but also maintain a competitive price (Ndanga, Louw, & Van Rooyen, 2009).

The United States Wine Industry

Organizational Setup

Unlike South Africa, the US does not have large organizations that control the local and national marketing of wine. However, it does have strict laws that pose restrictions for all companies looking to sell their wine in the states. In the US, there is a three-tier system in place that regulates how wine is sold and distributed (Thach & Olsen, 2006). The wine starts out in the winery (first tier), where it is manufactured, bottled, and packaged. The winery partners with distributors who assist in networking and marketing their wine. These distributors (second tier) work to sell the wine to retailers (third tier) where customers eventually buy the wine (Thach & Olsen, 2006). The first and second tiers get paid a portion of the revenue generated by the sale. Distributors make commission on all of the wine that is sold, which drives retail prices up. Retailers, especially restaurants, mark up prices further to generate their own profit. In reality, a large percentage of the wine's proceeds do not make it to the winery itself (Wine-Searcher, 2014).

Supplier

Importer

Distributor

Retailers

Consumers

Figure 7: The partnerships of the US wine market

Although this system drives wine prices up, it is necessary in the US because of the many laws that limit direct shipment from wineries to customers. According to the Wine Institute, an association of the California wine industry, only seven states explicitly forbid direct shipments. The remaining 43 states and Washington D.C. have various limitations on direct shipments that make it difficult for wineries to turn a profit (Wine Institute, 2015). In Massachusetts, for example, a winery is not allowed to ship more than 12 cases of wine per customer for a given calendar year (Wine Institute, 2015). These state-by-state regulations are hard for small wineries to monitor, and push these wine brands to rely heavily on importers and distributors in order to be successful in entering the US wine market.

Another option in the US is on-site shipping, which is legal in 46 states and D.C. (Wine Institute, 2015). This occurs when a US resident visits a winery and wishes to send wine directly home. Similar to direct shipping, each state has created its own limitations and fees regarding this practice (Wine Institute, 2015). Most importantly, wineries who wish to utilize either of these shipping methods are required to obtain a license within

each individual state, pay all fees associated with the license, and register to pay excise taxes on all wine shipped (Wine Institute, 2015). Many wineries, especially international ones, may find it inconvenient or impossible to register with each individual US state.

Due to these limitations, many wine brands choose the traditional method of marketing their wine in the US through distributors. A small number of major wine distributors control about 80% of the US market (Thach & Olsen 2006). Smaller wineries like Women in Wine have difficulty obtaining partnerships with major distributors (Thach & Olsen, 2006), as they have limited wine supply, small marketing budgets, and often feature niche products that large distributors are not interested in selling. Therefore, wineries must be innovative and persistent when seeking out partnerships with influential distributors. A more reasonable path for smaller wineries into the US market is through small and mid-sized distributors. These smaller distributors are willing to work with new and niche products, develop partnership relationships, and stock smaller quantities of wine (Lanier, 2016).

Online wine retailers and clubs have become more prominent with the rise of technology. Some of these retailers, such as NakedWines.com, are able to sell wines at wholesale prices rather than typical retail price points. The company does all of the marketing and distributing for the winery, and can sell wine at lower prices because it does not hire extensive marketing staff or pay commission to distributors (Naked Wines, 2016). This distribution model would be helpful for growing wine companies to help increase profits and to reach new customers.

Understanding US Distributor Perceptions

To reduce the effect of the challenges associated with entering the US market, it is important for wineries to have an understanding of the characteristics distributors look for in new wines. A study examining the relationships between wineries and distributors to understand the priorities of a distributor when selecting new wines asked 81 distributors to rate the importance of each factor including taste, dependability, and price, on a scale of one to five, as can be seen in Figure 8 (Thach and Olsen 2006). Results indicated that after the taste, the dependability of the supplier is most important to a distributor when choosing new wines. A distributor needs to have adequate access to stock to meet demands. This may become a problem for a small winery if it cannot provide enough inventory for a large distributor.

Given the competitive nature of the US market and the extensive regulations, many distributors may be looking for help from the wineries (Thach & Olsen, 2006). Distributors in the US expect wine companies to be persistent in pursuing a deal, and also anticipate representatives of the brands to visit the US twice a year to negotiate business deals (Lanier, 2016). Since they know their wine better than the distributor who sells it, it

Item	Average	Standard Deviation	Percent Indicating Important or Very Important
1. The taste of the wine	4.64	.66	96.3
2. The dependability of the supplier	4.29	.72	83.9
3. The price of the wine	4.12	.89	74.5
4. The personal relationship with the winery	3.89	.87	69.1
5. The customer service you receive from the winery	3.79	.81	61.8
6. The wine label	3.69	.78	59.2
7. The ratings the wine has received	3.64	.92	43.1
8. The appellations	3.41	.96	43.2
9. The type of wine (grape varietal)	3.40	.96	44.5
10. The advertising support for the wine	3.38	.89	44.4
11. Point of sale material to support wine marketing	3.32	1.10	46.9
12. Customer request for the wine	3.26	.96	37.0
13. Discounts on the wine	3.26	.96	37.0
14. Name of the winemaker	2.87		27.1
15. Bonuses or contests for selling the wine	2.59	1.17	23.4

Figure 8: Distributors' Decision to Carry a Wine (Thach & Olsen, 2006)

is helpful to distributors if wineries train sales staff about their wine, host wine tastings, provide free samples, and indicate a general effort to meet customers (Thach & Olsen, 2006). This personal touch, along with the demonstration of customer service, is important for a distributor to observe before they reach a deal with a new company. For small wineries looking to set up partnerships in the US, meeting these expectations require money and connections. These small brands must be creative in finding ways to obtain resources, such as partnering with similar wineries and pooling assets like Treasure Chest does in South Africa. In addition, these distributor expectations are likely not limited to US partnerships.

It is also important that wines have a price point that balances competitive retail prices with fair margins of profit. Distributors are also looking for value and consistency of price (Thach & Olsen, 2006), and are careful in stocking new wines because wine in general tends to sell slower than other alcoholic beverages such as beer and spirits (Insel, 2008). Newer, smaller wineries, such as Women in Wine, must take these factors into account before approaching US distributors. It needs to work with its cellar to ensure that it can guarantee consistency in its posted production and price, invest resources in marketing efforts, and create a contingency plan in case arrangements fall through.

Understanding US Consumer Perceptions

Purchase location plays a role on consumer decisions. A survey of 1,072 American wine consumers studied which outlets were responsible for the majority of wine sales (Thach & Chang, 2015). The results of this study, outlined in Figure 9, indicate that people purchase wine most often at liquor and wine stores in the US, as not all states allow alcohol to be sold in grocery stores. Purchase location does change the way people browse wine—for example, in liquor and grocery stores, customers are generally more influenced by the label of the wine than they would be in a boutique or wine specialty shop.

Most Common Places to Buy Wine

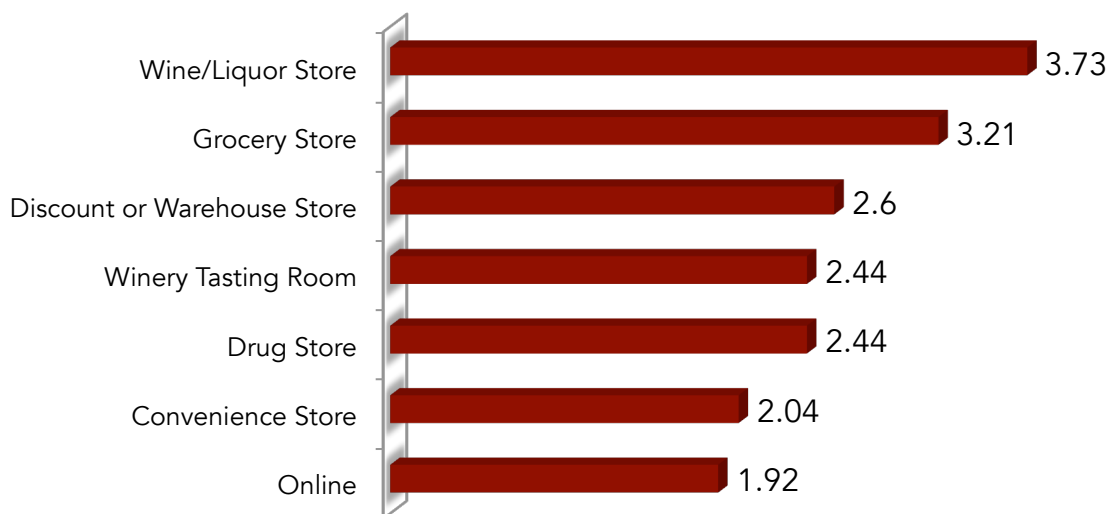


Figure 9: Frequency of wine purchase per location (Thach & Chang, 2015)

Although purchase location affects the way a consumer will browse, the final decision to purchase a bottle of wine is based on a variety of internal and external factors. Studies conducted in the US have indicated that demographic differences in consumers are not enough to explain the variation in wine purchasing decisions (Kelley & Hyde, 2015). Rather, consumer behavior toward wine is complex and can depend on consumer background, personality, familiarity with wine, and personal preferences. Consumers rely on their experiences and existing knowledge when making a choice from the vast selection of wine they are likely to encounter at a store (Barber, 2006). Consumer clusters have been identified based on trends in purchase behavior, taste profiles, and overall preferences. Constellation Brands conducted Project Genome, a 10-year study of 7,000

American and Canadian wine consumers, to explore consumer wine preferences (Penn, 2014). The results indicated six distinct consumer groups, unique in terms of their knowledge of wine and their approach to obtaining relevant information. Three of these six segments seek information beyond the price and established reputations to make a purchasing decision. Identifying what information customers consider in their wine purchasing and how to effectively convey this information will prove useful for new wineries entering the established market.

Key Branding Factors

Branding v. Marketing

When trying to reach consumers and convince them to buy a product, companies can choose tactics that either market or brand their product. While closely related, these two types of outreach involve different approaches and outcomes. Marketing a product is convincing consumers that they want or need it. This can be done through many methods, including celebrity endorsements, comparisons with similar products, or appeals to a consumer's self-image (Heaton, 2011). Brand building, however, involves conveying who the company is as a brand—their values, purpose, and identifying attributes (Heaton, 2011). Consumers will remember these factors more than a marketing tactic aimed to make a product seem popular or cool. Getting this message across can be a bit more difficult and involves a more hands-on approach from the company, such as training and sending staff to communicate with consumers, creating and implementing taglines and visual themes, and incorporating these aspects into everyday operations (Williams, 2016).

Fairtrade Certification

As wine makes its way through long channels of distribution, the producer may become disconnected from the customer, especially regarding the manner of production. Over the years “labour-intensive fruit and wine farms in the Western Cape have shifted to outsourcing. An increasing reliance on third party labour brokers has effectively enabled many farmers to wash their hands of accountability for [working] conditions” (Kruger, du Toit, & Ponte, 2014, p. 8). To help resolve this increasing problem, Fairtrade is a global certification system that sends a reliable message to the consumer; it ensures that socially responsible and ethical practices were followed in the making of the product.

The rigorous certification process closely examines the treatment of hired laborers such as those individuals who work on South African wine farms; it ensures that farmers receive decent wages, good housing and safe labor conditions (Moseley, 2008). When a company is certified, the symbol of Fairtrade is shown on the product label and communicates authenticity through consumer recognition (Fusenig, 2016). Fairtrade



Figure 10: Fairtrade certification logo

certifiers are independent third parties in order to maintain consumer trust in assessing business practices (Jones & Williams, 2012). Fairtrade can be used as a marketing strategy toward consumers who care about the production process and are willing to pay more for a conscientiously-produced product.

Many customers in international markets are influenced by the Fairtrade certification logo when purchasing South African wine due to the country's history of injustice toward laborers (Fusenig, 2016). Fairtrade certification provides a way in which wine companies gain credibility in the

global market. There has been an increase in the number of certified wine farms from just a few in 2003 to 28 in 2015 (Augustyn, 2015). Fairtrade-certified farms also exported at least 50% of their products. This can be attributed in part to the fact that numerous mainstream supermarket chains, specifically in Europe, would only purchase wines that had the official certification. Most South African grape farms and wineries seek Fairtrade accreditation because their customers demand it (Fusenig, 2016), and as such, South Africa is the largest producer of Fairtrade wines in the world (Fairtrade South Africa, 2014). International pressure to be Fairtrade certified is so high that many wineries are questioning whether this accreditation is even voluntary anymore, or if it is necessary to even just retain their current customer base. The compliance coordinator of a South African winery reflected "I am not sure if it is getting bigger because we have to comply or if it is getting bigger because we want to comply. I am not sure if that balance is still there" (Fusenig, 2016). Many Fairtrade accredited South African wine companies say they felt pressured by their customers to become certified (Fusenig, 2016).

While Fairtrade certification is desirable, it is a very difficult and expensive process for wineries in South Africa to navigate (Moseley, 2008). According to Fusenig (2016), the accreditation process is tedious, and in some cases regulations place demands on wine farms that are viewed as unnecessary and extraordinarily cumbersome. Some farm owners believe that the Fairtrade organization does not even understand the growing conditions in South Africa (Fusenig, 2016). The cost of accreditation is also a huge concern to wineries, especially small, new farms that are limited to small budgets. The initial accreditation process costs approximately 134,000 Rand, or 9900 USD (B. Farmer, personal communication, October 31, 2016), and the annual certification fees can add to nearly half of that, around 67,000 Rand (FLOCERT, 2016). There are ways for wineries to get some financial support for their accreditation. VinPro “fully supports compliance with ethical trade and will allocate funding [so] the audit for ethical trade accreditation [for its members] can be partly subsidized” (Wine.co.za, 2012). Fusenig (2016) also states that it is common for wine cellars to encourage the farms they source grapes from to become certified; sometimes the cellars even pay the accreditation fees. However, both of these methods are not available to many wineries, or only help to pay a portion of the costs (Fusenig, 2016).

A small company like Women in Wine must determine how important Fairtrade certification is to both its local and the international markets, and assess whether the subsequent benefits of achieving certification would outweigh the current cost. There may be other certifications or preexisting company values that are even more important to the consumer that Women in Wine may want to highlight instead.

Other Certifications

In addition to Fairtrade, there are many other certifications that can be received through programs such as BEE (Black Economic Empowerment) and WIETA trade initiatives. Some large grocery store chains, such as Woolworths, place each wine they sell through their own approval process rather than requiring a third party certification. For example, Woolworths gives out an Eco-Efficiency Award to wine companies that work to

**“I AM NOT SURE IF [FAIRTRADE] IS
GETTING BIGGER BECAUSE WE HAVE TO
COMPLY OR BECAUSE WE WANT TO
COMPLY. I AM NOT SURE IF THAT BALANCE
IS STILL THERE.”**

-MIRJAM FUSENIG

FOR A MASTERS THESIS ON FAIRTRADE IN SOUTH AFRICA

improve environmental sustainability. These certifications give customers further confidence in the wine they purchase, but it can be difficult for wineries to comply with all of these different standards and pay all of the fees necessary to obtain all of them (Fusenig, 2016).

The Integrity and Sustainability seal from the Wine and Spirit Board pictured in Figure 11 “certifies that the wine has been made in a manner that is respectful to nature and guarantees sustainable wine production” (Wines of South Africa, 2016c). The seal guarantees several factors:

- The vintage, variety and origin that are shown on the label are correct.
- The wine has been produced sustainably, in an earth-friendly manner.
- The wine can be traced all the way from the vine to the bottle.
- The wine was bottled in South Africa.

This seal proves the integrity of the wine and that a wine company has sustainable winemaking methods. Routine check-ups and detailed bookkeeping of the production



Figure 11: The Integrity and Sustainability seal from the Wine and Spirit Board

process, grapes received, wine treatments, and bottle stocks are a few core requirements of the certification (Ken Forrester Vineyards, 2016). Many South African winemakers see the seal on the neck of the bottle as a “bus ticket” (Ken Forrester Vineyards, 2016). In 2010, 60% of South African wine had this certification. By 2011, nearly 85% of South African wine earned the Integrity and Sustainability certification (Ken Forrester Vineyards, 2016). Today, 95% of South African wine follows sustainability principles.

The unique identification number on each label ensures that the Wine and Spirit Board takes the certification very seriously from the making of the grapes to distribution.

Storytelling

Storytelling is a tool companies use in order to build a relationship with the customer and relate to them on a person level (Gilliam & Flaherty, 2015). In a wine market that is overcrowded with thousands of choices, "the power of telling the personal story of the wine and winery cannot be over-emphasized. It builds the brand in consumers' minds and helps them remember what is unique about the wine" (Thach & Olsen, 2006, p. 83). In order to effectively communicate personal ideals and company values, wine companies should inform, persuade, and build bonds with customers. These efforts culminate in customers supporting the company for its mission (Gilliam & Flaherty, 2015). Sustainability and environmental friendliness has become exceedingly relevant from a marketing standpoint. If a company fails to communicate its strategies to the public, it can lose the sales of a growing number of socially and environmentally conscious consumers (Baldassarre & Campo, 2016). Companies who make their environmentally friendly initiatives known increase revenue, raise consumer awareness, and produce another incentive to purchase their products (Suki & Azman, 2016). For this reason, corporate social responsibility is becoming increasingly important to companies. In the South African market, "Black people are...influenced by traditions, customs, laws, and social purpose" (Ndanga, Louw, & Van Rooyen, 2009). Due to increasing focus on corporate social responsibility, it is important for Women in Wine to consider marketing their socioeconomic mission and environmental practices on the labeling.

How Consumers Perceive Wine Labels

The first thing consumers notice when scanning an aisle of wine is labeling and bottle design. Customers rely heavily on the label to convey the quality and authenticity of the wine (Hauck, 1991). Customers perceive traditional, crisp labels as high-end and better quality, while modern, colorful labels often are viewed as cheap and inauthentic (Lunardo & Guerinnet, 2007).

Wine labels are different depending on whether the wine is Old World or New World. Since Old World wines say the place of origin and not the grape used, the average consumer might not know what to expect. For example, a consumer could pick up an Old World wine that says "Chablis" thinking the wine was made from Chablis grapes. However, Chablis is a region in France rather than the grape type used to make this wine (Albanese, 2013). For inexperienced and unknowledgeable wine drinkers, New World wines are easier to interpret since the label states the type of grape. For these wines, the consumer does not need to know the relationship between the origin and the corresponding grape to know how it will taste.

Old World wine labels are more traditional than New World wine labels, as shown in Figures 12 and 13. Throughout the world, different regions and people perceive wines in different ways. For example, a study conducted by Celhay and Passebois (2011) shows that France still prefers traditional labels. The French are conservative and do not

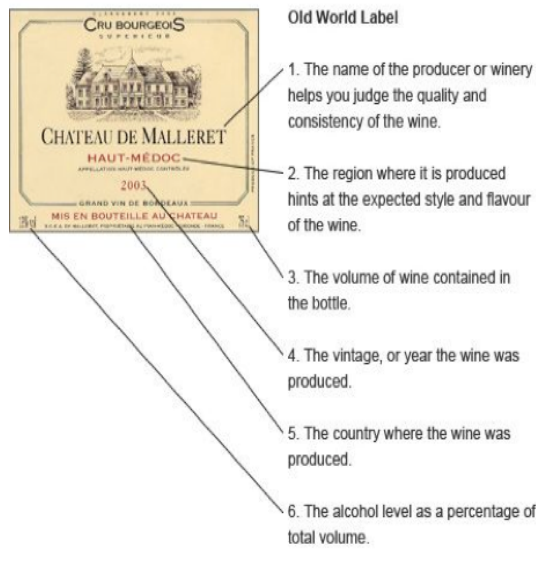


Figure 12: Example Old World Label (Chateau de Malleret Label)

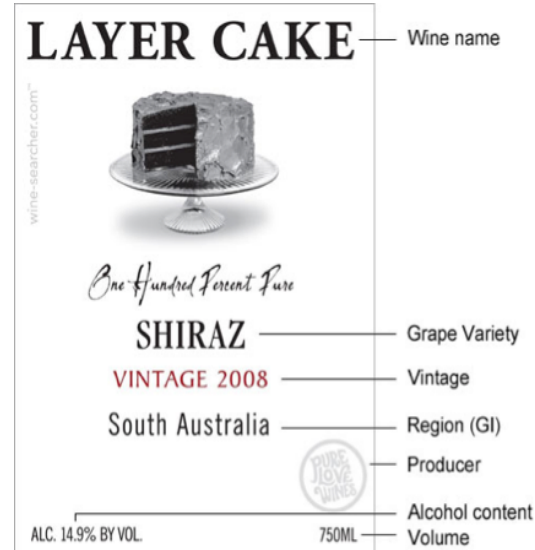


Figure 13: Example New World Label (Layer Cake Wine Label)

want to take the perceived risk of buying a wine with a modern label (Celhay & Passebois, 2011). A similar study conducted in China by Anat, Cohen, and Tang (2015) found that the Chinese also prefer simple, traditional labels. The same study showed how there are also desired characteristics in labels that are specific to a region. For example, in Chinese culture, the color yellow is linked to hope, optimism, and happiness, which is why yellow was the most highly rated color for labels (Anat, Cohen, & Tang, 2015). It is important for wine companies to know this type of detailed consumer information so that they can design their labels in regards to their target customers' preferences.



Methodology

This project aims to help Women in Wine identify strategies for domestic and international expansion by assessing its products' placement in the market, as influenced by the company's progressive social and environmental sustainability mission. The project is broken down into the following objectives:

1. Gain input from industry professionals, distributors, and retailers regarding marketability of the wine.
2. Explore avenues for Women in Wine to expand distribution in South Africa and the US.
3. Gather consumer perceptions of the brand and its mission to determine likelihood of purchase.

I. Interviews with South African and US Distributors and Retailers

We conducted five semi-structured interviews with distributors and retailers from both South Africa and the US that encompassed our first two objectives. Questions geared toward Objective 1 asked what factors make specific wine brands most attractive to distributors and retailers (i.e. price, quality, labeling, mission, consumer preferences, etc.). We also described the Women in Wine mission and asked for their opinion of the brand, suggestions for improvement, and thoughts for potential marketing strategies. Questions geared toward Objective 2 asked how they buy, distribute, and sell wine. We wanted to learn about the structure of the wine industry, its challenges, and how a wine moves from producer to consumer. Lists of our guiding questions can be found in Appendices A1 and A2. However, the specific questions asked to the interviewees varied based on their area of expertise. The interviews lasted around 30 minutes and were audio recorded, provided that the participant consented to the recording. If they did not consent, we took hand-written notes. Our interviewees are identified as follows:

- Sang Chhoeuk, Retailer, Owner of Wine Vine located in Worcester, MA, US
- Joey Hersh, Distributor, OZ Wine Company in the US
- Roy Goldstein, Independent Regional Wine Distributor in Massachusetts

- National Wine Buyer at a mid-range grocery store in South Africa (interviewee wishes to remain anonymous)
- Ivan Oertle, Wine Consultant, Former Buying Manager for Wines at Woolworths South Africa
- Owner of Love Wine in Stellenbosch, South Africa
- Anton Groenewald, Manager of Cellar in the City in Cape Town, South Africa
- Carolyn Rillema Owner of Carolyn's Fine Wine Cellar in Cape Town, South Africa

II. Interviews with South African Industry Professionals

We conducted 10 semi-structured interviews with industry professionals local to Stellenbosch, South Africa that encompassed our first two objectives. Questions geared toward Objective 1 asked how South African wine is being marketed in the current industry and what efforts are being made to specifically promote small, Black-owned wine companies. Questions geared toward Objective 2 asked how the interviewee's company or organization contributes to the expansion of South African wine in the local and international markets. In addition, we asked these professionals for their input on the marketability of Women in Wine's unique mission. These semi-structured interviews focused on the professional's insights on the wine industry as it applies to distribution for Women in Wine. When speaking to owners of other wine companies, we inquired about how they formed their channels of distribution in order to identify possible opportunities for Women in Wine. We were also interested in how they developed their marketing plan and what was successful or unsuccessful in attaining distribution partnerships. For a full list of questions, please see Appendix A3. The specific topic of these interviews varied, focusing on each interviewee's area of expertise. The interviews lasted around 30 minutes and were audio recorded, provided that the participant consented to it. If they did not consent, we took hand-written notes. Our interviewees are as follows:

- Charles Erasmus, CEO of SAWIT
- Denise Stubbs, Thokozani Director
- Matome Mbatha, Market Manager for WOSA
- Nicky van Hille, Director of Moss Group
- Nosey Peterson, Rural Agriculture and Allied Workers Union
- Philip Bowes, Manager of Transformation and Development at Vinpro
- Selena Cuffe, President and CEO of Heritage Link Brands
- Unathi Mantshongo, Transformation and Development Officer at VinPro

III. Interview with US Marketing Professional

In order to understand the general components of successful marketing strategies, we conducted a semi-structured interview with Professor William Troy from the WPI School of Business. We wanted to gain his insight on international marketing practices to help us accomplish Objective 2. Our interview included a discussion about competitive labeling and pricing as well as how to successfully identify and market to your target customer. We then asked for suggestions on what is needed to successfully market Women in Wine. A general list of questions is included in Appendix A4. The interview lasted approximately 45 minutes and was documented through hand-written notes.

IV. Interviews with Consumers

In order to achieve Objective 3, we conducted interviews with consumers. Our participants consisted of volunteers from the local areas of Cape Town and Stellenbosch (South Africa) and Worcester, MA (US). Interviews with consumers typically lasted 5-15 minutes each, depending on the length of the responses. When interviews were conducted in quiet environments, the data was audio recorded with the participant's consent. Otherwise, hand-written notes were taken. Our interviews in the US were conducted at an exercise studio in Westborough, MA and at the faculty lounge for the Interdisciplinary and Global Studies Division (IGSD) at Worcester Polytechnic Institute (WPI). The interviews at the exercise studio were generally shorter than those at IGSD due to limited time. In South Africa, interviews were conducted on Long Street, a busy area in Cape Town that has consumers of diverse demographic groups. We chose this location because we were likely to find individuals who were part of the Start Me-Up segment of the Black middle class. The wine consumers for our sample were individuals of legal drinking age (18 years in South Africa, or 21 years in the US) who consented to participate in our study (Appendix A5).

Given the short time frame and limited resources of our project, participants were chosen using convenience sampling. Convenience sampling relies on participants that are readily accessible, rather than a simple random sample of the population (Gravetter & Forzano, 2009).

Semi-Structured Interview Questions

A large portion of the interviews involved asking semi-structured interview questions. We chose the semi-structured interview method because they would allow us to “explore the views, experiences, beliefs, and motivations of individuals on specific matters” (Gill, Stewart, Treasure, Chadwick, 2008). Semi-structured interviews are conversations with interviewees that do not have to strictly follow a set list of questions; the interviewer has the ability to tailor the questions that are asked from person to person based on how the conversation flows (Miles, J., & Gilbert, P., 2005). In our research, the flexibility of a semi-structured interview was the optimal method to gather data relating to the individualized patterns and opinions of wine consumers.

These interviews focused on understanding how much a wine company’s brand, mission, and story would influence the consumer’s purchase. Thus, we asked participants questions on their wine purchasing patterns, their willingness to try new wines, and their thoughts on the Women in Wine label and mission. Full lists of interview questions for US and South African consumers can be found in Appendices A6 and A7, respectively. We conducted 13 of these interviews in the US and 40 in South Africa. Data from interviews with South African consumers was condensed, coded, and documented in digital spreadsheets for analysis found in Appendix B3. Data from US interviews was recorded or documented in handwritten notes found in Appendices B1 and B2 and used to create an online survey (please see section V) to further confirm the data.

“THE PURPOSE OF THE RESEARCH INTERVIEW IS TO EXPLORE THE VIEWS, EXPERIENCES, BELIEFS, AND MOTIVATIONS OF INDIVIDUALS ON SPECIFIC MATTERS ... QUALITATIVE METHODS, SUCH AS INTERVIEWS, ARE BELIEVED TO PROVIDE A ‘DEEPER’ UNDERSTANDING OF SOCIAL PHENOMENA THAN WOULD BE OBTAINED FROM PURELY QUANTITATIVE METHODS, SUCH AS QUESTIONNAIRES.”

-P. GILL ET AL.

***IN: METHODS OF DATA COLLECTION IN QUALITATIVE RESEARCH:
INTERVIEWS AND FOCUS GROUPS***

Free Listing

In order to determine what factors are most important to consumers when purchasing wine, we employed the method of free listing. Free listing is a structured interview technique designed to see how participants perceive categories in a certain domain (Gravlee, 1998). We asked participants to either write down or verbally list factors that they consider important when they purchase wine. This was a brief activity, as consumers typically provided short lists. We entered all of the lists into Visual Anthropac V1, a computer program that analyzes free list data. First we compared the overall frequency of each listed factor, to see which ones were listed most often by consumers. Secondly we examined the salience score of each factor, which shows how each factor was prioritized across consumer lists. The higher the salience score was, the higher that factor was listed. This data was used to inform *Women in Wine* of the items that are most important to a wide range of consumers. Thus, they can make sure that these factors, such as taste descriptions, mission, or price, meet the needs of their target consumer; they may also decide to highlight these features in their marketing plan. We obtained 18 free lists in the US (Appendix B4) and 40 in South Africa (Appendix B3).

Demographics Questionnaire

In South Africa, we asked questions regarding the participants' demographics during each consumer interview. This was intended to give more detailed information about the interviewees, such as their age, race, and household income. The demographic questions are included in the questions for South African consumers in Appendix A7. We asked participants these questions verbally, which took about three minutes, and we kept the responses confidential. As we conducted more interviews, we monitored the data gathered from these questionnaires to make sure that we accessed our target range of people.

While literature suggests that demographics influence the buying patterns of consumers in South Africa (Ndanga, Louw, & Van Rooyen, 2009), studies have shown that demographics do not play a large role in the wine buying patterns of US consumers (Moulton, Kirby, & Miller, 2001). Therefore, a demographics questionnaire was not implemented for our semi-structured interviews in the US.

V. Online Survey to US Consumers

Since we had a small sample size for consumer interviews in the US, we created a survey to confirm our results for Objective 3. It was intended to measure the accuracy of our previously collected data, rather than produce new data. We used the consumer

responses from our semi-structured interviews in the US to devise deliberate, helpful questions. The survey was produced and analyzed using Qualtrics software and consisted of 10 multiple choice or fill-in questions. We sent the survey via email to a convenience sample of US wine consumers who work at WPI. We choose this group of people because it was easily accessible to us as WPI students. This group of people works in Massachusetts, where there is a median annual salary of \$67,846 (Rocheleau, 2015). Participants were required to be of legal drinking age in the US. The survey was open for approximately 5 days and received 164 responses. Participants were not required to answer every question, so each question received a varied number of responses. Please see Appendix A8 for the complete list of questions and Appendix B5 for a summary of the results.

VI. Pile Sorting with US Consumers

Since we had a small sample size for consumer interviews in the US, we created a survey to confirm our results for Objective 3. It was intended to measure the accuracy of our previously collected data, rather than produce new data. We used the consumer responses from our semi-structured interviews in the US to devise deliberate, helpful questions. The survey was produced using Qualtrics software, which also documented all the results. It consisted of 10 multiple choice or fill-in questions. We sent the survey via email to a convenience sample of US wine consumers who work at WPI. We choose this group of people because it was easily accessible to us as WPI students. This group of people works in Massachusetts, where there is a median annual salary of \$67,846 (Rocheleau, 2015). The responses were only from adults over the age of 21 who are legally able to buy alcohol. The survey was open for approximately 5 days and received 159 responses. Please see Appendix A8 for the complete list of survey questions and Appendix B5.



Figure 15: Students participating in our pile sorting activity.

Key Findings

Women in Wine was identified as an “artistic,” mid range wine in the US market.

When looking into the US market, a South African wine company has to understand how US consumers perceive South African wines as a whole. Our US online survey showed that many people do not have preconceived perceptions of South African wine. In fact, nearly 55% of

the 164 US wine consumers we surveyed said they have never even tried South African wine (Appendix B5). Consumers do not usually associate South Africa with wine and as a result, nearly 60% of consumers said they do not have any opinions of South African wine at all. As shown in Figure 16, nearly

40% of the participants said they like South African wine, which indicates that they would likely be willing to buy it again. Since US consumers have little experience with wines that are produced in South Africa, Women in Wine is in a position to make a positive impression on consumers.

The pile sorting activity, the interviews with wine industry professionals and consumers, and the US online survey, revealed that Women in Wine should sell their wine at less than \$20 in the US in order to be the most competitive. Women in Wine’s label was grouped into the “artistic” category (Figure 20). Other wines that were included in this “artistic” group are typically priced in the market at \$10-\$20 per bottle. This aligns

What are your opinions of South African wine?

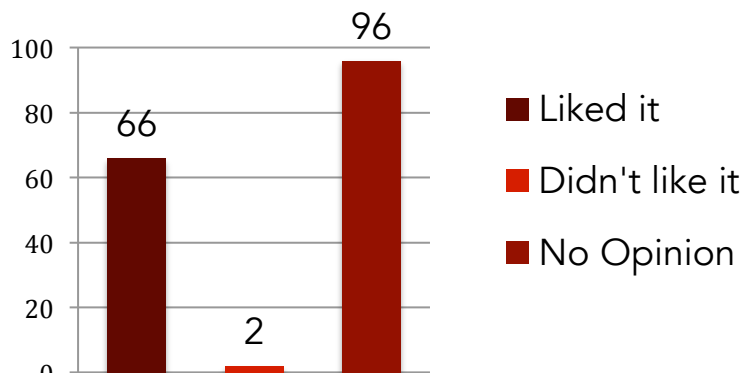


Figure 16: Opinions of South African wine from 164 US survey respondents

with data from our interview with Mbatha, who said that most South African wines are gaining popularity in the US and are now being sold for \$10-\$20. The US online survey of 164 wine consumers also showed that most consumers pay on average \$10-\$15 for a

How much do you typically spend on a bottle of wine?

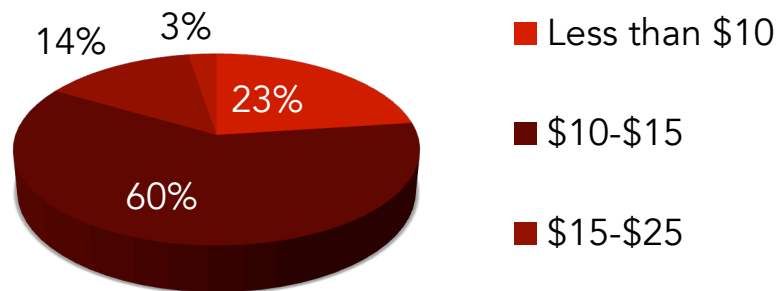


Figure 17: Amount spent on a bottle of wine from 164 US survey respondents

bottle of wine, before knowing about any mission (Figure 17). When aware of a mission, almost 80% of the 159 people surveyed would willingly pay more for Women in Wine's mission. Of these survey takers, 40% said they would pay up to \$2 extra (Figure 18).

However, regardless of how influential the mission or story is in encouraging an initial purchase, the mission must be backed up with quality wine in order to influence consumers to purchase the wine a second time. In our initial semi-structured interviews with US consumers, many participants said that as long as the mission is advertised well and the wine is of good quality, they would definitely pay more for it. One interviewee said that if she knew the brand's wine was good, an interesting mission would be a huge asset and help differentiate the company from other wines. However, she also explained "mission would not be enough to make me buy a sub-par wine that I didn't like."

How much more money are you willing to pay for Women in Wine's mission?

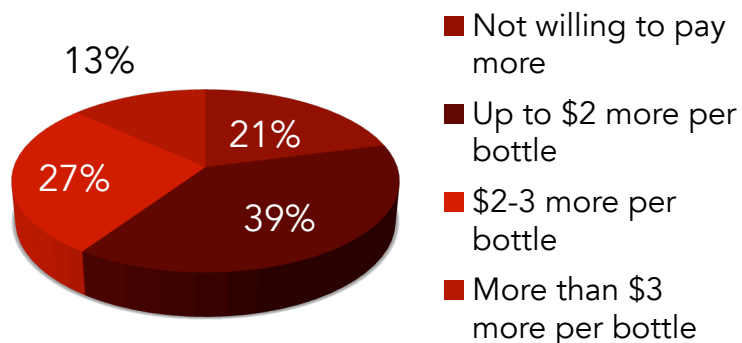


Figure 18: Amount extra willing to pay for Women in Wine from 164 US survey respondents

Labeling design is important to effectively convey and position a brand.

It is important for wine brands to understand how characteristics of labels are perceived by customers in order to market and sell their products to their target market. Eddie Haumann, a wine labeling design expert from Haumann Smal Design firm in Stellenbosch, South Africa, identified three distinct categories wine brands fall into based on their labeling and product design. The categories are concept brands, personality brands, and family brands. Concept brands have labels that will draw in customers and encourage them to learn more about the idea behind the wine. Personality brands incorporate the personality of the company owner into the brand and their labels usually involve hand-drawn fonts and illustrations to “bring over that natural look and feel of the wine.” Lastly, family brands include a family name and highlight a sense of tradition behind the wine company. According to Haumann, personality brands and family brands can be seen at any price point. However, concept brands typically only sell in a limited price range of about R40-60, and have a maximum price of R80. Haumann explained, “Research shows that the closer you get to R80 [with a concept brand], the less sales you’re going to make.” It is important to consult the experts on how consumers perceive different components of a label as low-range or high-end.

During our conversation with the chief national wine buyer for a mid-range grocery store chain, he said that when he considers stocking new brands in the store, he wants to see that the label of the wine is designed specifically for the target customer. The front label, he explained, is vital to making sure the bottle stands out on the shelf. Low-end wine consumers are interested in visually intriguing, “funky” labels. High-end wine customers are more influenced by “gold stickers,” or emblems, awards, and 3rd-party endorsements that wine companies prominently display on the front of their bottles. Anton Groenewald, owner of Cellar in the City, said he has noticed that awards and gold stickers especially influence his male consumers.

Joey Hersh, a distributor at OZ Wine Company in the US, and Haumann both noted that wineries should avoid labels with dark or black backgrounds, since they do not stand out to the consumer on a store shelf. Hersh said that his distribution company would not even stock a wine that had a black label. However, if a label is designed in an interesting way, black labels may not matter



Figure 19: Genevieve wine labeling
(Genevieve Label, 2016)

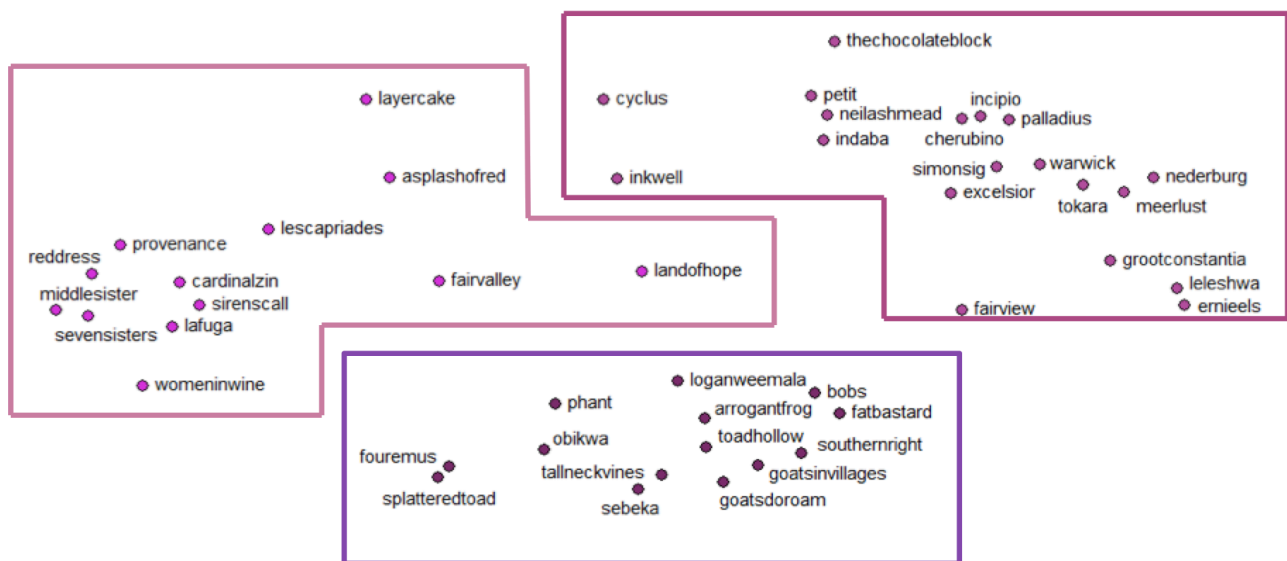
to customers. Groenewald pointed out a wine from Genevieve, which features the black label shown in Figure 19, as being his bestseller with women because the label was “pretty.”

It can be a challenge to connect with a customer quickly through a small front graphic. Haumann explained that customers, especially younger people, do not have time to read back labels or research wine before they make a purchase, so they rely entirely on the bottle’s presentation. “They want to see something, connect to it, and instantly buy it,” Haumann noted. Since customers often do not read the back label, it is vital that a wine company communicates its overall story and mission through its front label. Our data from our interviews supports this, with 59% of respondents reporting that they don’t read the back label (Appendix B3). Haumann said that the best way to do this is through expressive graphics. It is also important to refine the story so that it is communicated in a clear, concise manner. As Haumann explained,

We have this one client from America, and he always wants to communicate four stories on a label. And I say to him, ‘that’s so confusing. It takes *me* ten minutes to figure out what you’re trying to say; imagine the poor consumer!’ [A consumer] will take 1-2 seconds to make a decision, and he will look at the product and he won’t understand. So you need to be very careful that you don’t communicate too much.

While a label is the vital starting point to telling a story, it is a small space that may need to be supplemented through other platforms such as social media. Haumann explained that the best labels are the ones that intrigue a customer enough that they want to know more. In that case, it is smart to use the back label to direct customers to a website where they can find a more detailed story and mission.

Figure 20: Categories of Wine Labels from our Pile Sorting



For Women in Wine's label specifically, we used a survey asking 164 US consumers to list adjectives describing the label. The most commonly used words were "informative," "interesting," "eye-catching," and "attractive." The results are shown in Figure 21. Solely based on the label, 76% of these participants said they would be willing to purchase the wine (Appendix B5).

We asked Haumann for his opinion of the Women in Wine's Premium-range Cabernet Sauvignon label. He immediately said that he thinks the label lacks the handmade and craftsmanship feel. "It looks very computer-generated. It's not hand drawn and doesn't have any hand illustration...it lacks personality, lacks soul." He also did not like the black background, saying it would not stand out among other wines on a store shelf. He labeled the wine as a "concept" brand that should be sold within a price range of R40-50.

There seems to be a difference of opinion between consumers and the design expert regarding the Women in Wine label. As shown by the adjectives consumers listed on our survey, they seem to like the label and appreciate the design elements. Although these customers said they would purchase Women in Wine based on the label, this does not necessarily mean it would hold their attention on a crowded shelf, as Haumann noted. In order to effectively communicate its mission, it is vital for Women in Wine to interest the customer enough by the front label to convince them to read the back.

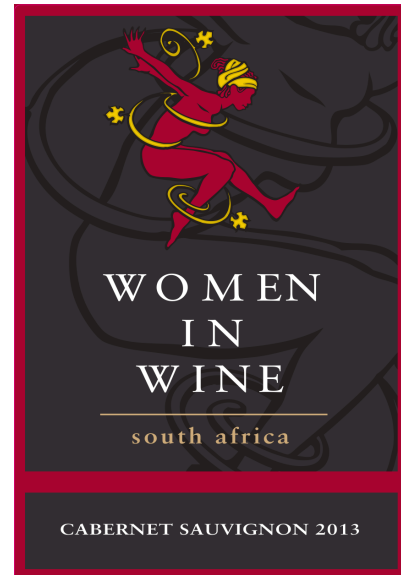


Figure 22: Women in Wine's Premium-range Cabernet Sauvignon Label

The mission of a brand generally encourages consumers to purchase.

On the consumer side of the South African wine market, we found that while the mission of a wine brand generally encourages purchases, consumers are less likely to buy a wine simply because the company is women-owned or Black-owned. In our semi-structured interviews with 40 South African consumers, 72% said a brand's mission or story would influence them to buy, as shown in Figure 23. It does seem, however, that stories behind South African wine brands are commonplace to South African consumers. Charles Erasmus, the CEO of SAWIT, noted that everything in South Africa revolves around storytelling. Every winery in South Africa has a foundational story; he believes that unless the narrative is unusual and memorable, a story is so expected that the

consumer may overlook it. A salesperson at the Cellar in the City said that a story is not a huge selling point to customers, because “every wine has a story.”

We also asked the South African consumer participants if they would be influenced to purchase a wine if it was produced by an all-women or all-Black company. As shown in Figure 23, 60% of consumers said they would purchase from an all-women company, and 50% agreed they would purchase from an all-Black company.

South African consumer participants that are influenced to buy a wine because...

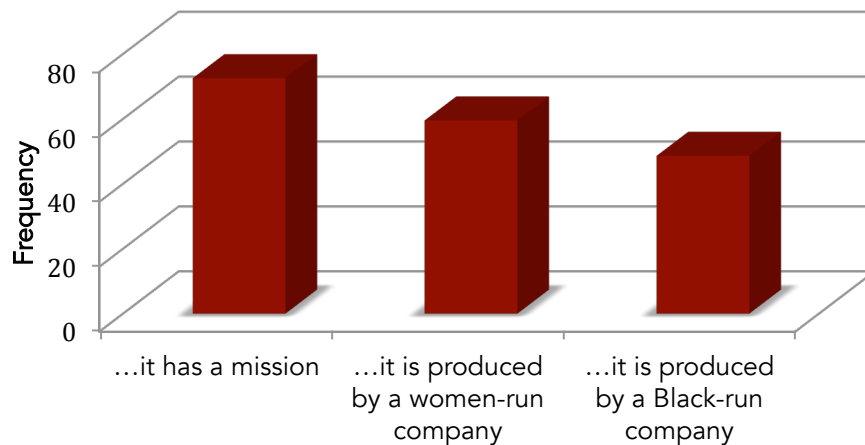


Figure 23: Interview Responses from 40 South African Consumers

However, merely communicating the race or gender of a brand’s owners may not immediately influence all consumers to buy the wine. Many interview participants did respond that they “would not mind” or “did not have a problem with” purchasing wine from a Black-owned or women-owned brand. However in general, consumers said they considered the type and quality of the wine as more important than the race or gender of the producer. Erasmus believes that if Women in Wine “is not able to source good quality wine, it will not stand in the international market; it will not be competitive and people will not buy it.” Philip Bowes, Manager of Transformation and Development at Vinpro, explained that in today’s wine market many people buy wine because they like the taste and because of the status wine offers, not because of a philanthropic desire to help a Black- or women-owned company:

Even new consumers, the [Black Diamonds], are just starting to buy what they recognize because of the conundrum around the prestige of wines. [They think] “I want to get a bottle of wine. I want to take it to a dinner

party. I want to impress people—want people to really think I know my wine. Am I going to take a risk on a new brand? Maybe.” If [they’re] going to make a philanthropic decision, [they] need to know more about that decision.

Wines are “aristocratic” in the sense that customers are concerned specifically about the quality of the wine. In the wine market, people are indifferent towards race and gender since they do not play a role in the final quality of the wine. While consumers agree that elements of race and gender would spark a primary purchase, they would not buy wine from the brand a second time if it turned out to be sub-par in terms of taste and quality.

Our research also supported the notion that consumers may distrust non-traditional wine producers. During our semi-structured interviews in South Africa, a few people specifically said they are reluctant to purchase wine from a Black woman-owned company, as they are non-traditional producers. This distrust may simply be a result of consumer inexperience with Black- and women-owned brands, since there are so few of these brands in retail.

Consumers tend to hesitate to buy wine that has African branding since Africa is not historically associated with wine production. Philip Bowes explained that in the current market, “wine is not synonymous with an Afrocentric brand.” Just as it is harder to sell pizza with the name “Bowes” than with the name “Luigi,” it is difficult to sell wine that carries an African name. With wine, as with other products, it is important and profitable to play into a customer’s stereotypes and present it in a way the customer expects. An example of this is Thokozani, a small Black empowerment company launched in 2007 that discovered its Zulu name was not perceived well among customers. As the Zulus do not have an established history in winemaking, people questioned the quality of Thokozani’s wines. Customers who participated in blind taste tests for Thokozani enjoyed the taste and quality of the wine, but customers who were shown the label and company name during taste tests were hesitant about the wine’s quality. Therefore, Thokozani decided that they were better off using a different name on the label in order to capture South African consumers. Thokozani decided to sell the same wine under the alternative brand name, “Ovation,” and has since seen greater success.



Figure 24: Thokozani's original labeling and its new Ovation labeling

Denise Stubbs, the managing director of Thokozani, explained that many procurement departments are forced to take BEE brands on board to help their “score cards,” but they still question the quality of these wines. This poses a barrier to entry to Black-owned wineries because they are usually not BEE-certified. Businesses can take other BEE companies aboard but they do not necessarily need to be wine companies. All businesses in South Africa must meet legal requirements to procure a certain amount of products from BEE certified producers. Although retailers must adhere to these standards, they will not necessarily provide additional special opportunities to brands simply because they are Black-owned.

In our interview with a South African national wine buyer, we found that he is only concerned with meeting the needs of his consumers and he has found that consumers will not buy a wine simply because it is Black-owned. Major retailers focus on meeting the needs of their consumers and since the race is not a deciding factor for purchase, this will not be a factor in deciding to list a wine.

While the majority of wine consumers are interested in the insightful missions behind Black- and women-owned brands, they may need to taste the wine before they will trust the quality. Since customers do not purchase wine solely based on the race or gender of the company, retailers do not express interest in specifically helping Black- and women-owned companies until consumers become more interested in purchasing wine from these brands.

Fairtrade certification is not a critical factor to South African retailers and consumers, however most care about ethical production.

The South African national wine buyer for a major retail store believes that there is not enough being done to market Fairtrade and its mission to the domestic South African consumer base. Of our 40 interviews with South African consumers, nearly 88% said they did not know what Fairtrade was and would not recognize its symbol on a product (Figure 25). However, from those same consumers, nearly 67% said they would be more likely to buy a wine if they knew it was ethically produced (Figure 26). Matome Mbatha, market manager of WOSA, explained that Fairtrade still needs to be promoted



Figure 25: Interview Responses from 40 South African Consumers

in some countries to make people aware of it. He added that currently, customers in the US, UK, and Canada are the most concerned about ethical trade. Clearly, Fairtrade can be an influential factor, but its importance varies with the given market segment.

While the US may be thought of as a market where Fairtrade is a primary consideration, 52.5% of our surveyed consumers said that

such ethical considerations do not influence them to buy a particular wine (Appendix B5). One explanation for this is that US consumers may expect ethically produced wine to be more expensive, and ultimately decide that the price of the wine is of higher concern for them than its production process.

Our results show that the potential sales from becoming Fairtrade accredited may not outweigh the high costs of obtaining and maintaining the certification. Fairtrade is not widely recognized in the local South African market. For the major countries that do care about ethical trade, there are other means of communicating ethical production other than the trademark Fairtrade. Until the general wine consumers begin to learn and care about Fairtrade, Women in Wine can focus on marketing its company as ethically conscious and receiving certifications from other third parties.

Some retailers provide their own certifications that are similar to Fairtrade but more extensive. For example, Woolworths has its own system called “Farming for the Future.” This encompasses everything Fairtrade stands for but also adds on environmental and sustainability components. Oertle said that this certification is “above the ground, on the ground, and in the ground.” Woolworths’ partner companies need to be environmentally conscious of what they are putting in the ground and what they are releasing into the atmosphere, while also treating their workers ethically and humanely. Additionally, Woolworths requires their wine companies to be IPW (Integrated Production of Wine) registered, which is a voluntary environmental sustainability program established by the South African wine industry in 1998 (Integrated Production on Wine, 2016). Finally, their wine brands also have to be members of the Biodiversity Wine Initiative, which protects a certain part of their farm for natural habitat. Women in Wine may be more profitable by investing its money and time into these alternative certifications rather than Fairtrade.

Are you more likely to buy an ethically produced wine?

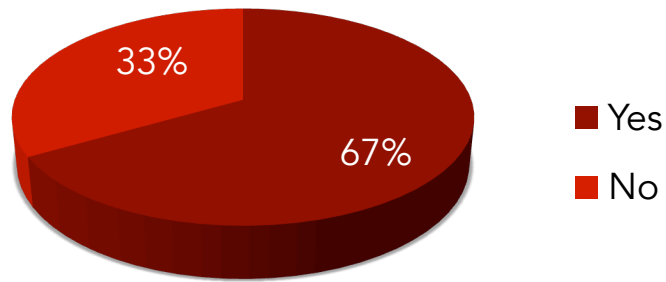


Figure 26: Interview Responses from 40 South African Consumers

All retailers and distributors look for different components when making a deal with a wine company.

In our interviews with various retailers, we discovered that each buyer prioritizes different characteristics in partnering with a wine company. These retailers also each provide varying degrees of help to the supplier in developing their product and concept. Some of these retailers, whether large or small, may make a very good match for Women in Wine to partner with based on their structure and values. Others will require more independent development from Women in Wine before they will seriously consider listing its wine.

National, mid-range grocery store chain in South Africa

During our interview with a national wine buyer of a mid-range grocery store chain in South Africa, we learned that new wines are evaluated at different standards based on their price point. Since entry-level wines are cheap, customers are more willing to try these wines without fear of wasting their money. The wine buyer said that because of this modest price point, low-end wines “essentially sell themselves.” He is very willing to give these inexpensive wines a chance on the shelf to see how well they sell and does not put as much emphasis on branding, labeling, or a marketing plan. If any of these entry-level wines do not sell, they will soon be removed from the shelf and replaced with another. However, for suppliers looking to sell mid-range to high-end wines, this retailer needs to see strategic effort made on brand building. He expects them to have a structured marketing plan before he will seriously consider listing them. This grocery store does not provide marketing assistance and expects each brand to build consumer recognition on its own.

This same wine buyer explained that the purpose of a marketing plan is to outline the business’ strategy of brand building. Customers are more likely to purchase brands they know and trust, so it is important for companies to have a specific plan for setting themselves apart. This is especially true for higher-priced wines since consumers are taking a larger risk with their money. Brand building helps companies reach customers in a personal way and exposes them to the brand so that they will be confident in purchasing the product in a store.

This wine buyer also said that surface-level marketing, such as the label on the bottle, are a hit-or-miss with consumers because these types of marketing are solely dependent on personal preferences. Brand building, however, sticks with a consumer in a more memorable way. Techniques of brand building he suggested include “on-consumption” marketing in restaurants, bars, and hotels. He emphasized that this form of marketing is required for high-end wines before he will list them. For low-end or mid-range wines, the wine buyer recommended in-store promotions (such as a discount of R20 off two bottles) as an example of an effective marketing strategy.

Woolworths—Premium national grocery store chain in South Africa

Ivan Oertle, a former wine buyer for Woolworths, said that his foremost concern in listing new brands for Woolworths was to add something that the existing supplier base did not already offer:

Why list a new supplier when I can just go to the existing suppliers and grow them? What can [the new supplier] add that the other guys can't? ... They need to offer something different and unique that I'm looking for. They have to have something that is a gap in the market. I'm not going to list something else that is competing. They have to add value.

Woolworths also prioritizes building collaborative brands. The company looks for wine brands that are “willing to be flexible, blend, change” and creatively incorporate Woolworth’s style into their label. Oertle also noted that quality is a key factor, saying he “wouldn't [accept] anyone with inferior quality.” Other factors Woolworths considers are technical abilities and ethical, environmental, and financial stability.

Oertle continued to say that a Black-owned, woman-owned company adds value to corporate goals because “the mandate of the corporate business is to develop enterprises that are struggling and that have a unique signature.” However, he added that it might be a small gap because although the “corporate scorecard” makes them interested in dealing with more Black-owned and BEE enterprises, it is not a gap in the wine portfolio in terms of quality and story.

**“YOU NEED TO BE WILLING TO BE
FLEXIBLE, BLEND, [AND] CHANGE.”**

-IVAN OERTLE

FORMER WOOLWORTHS WINE BUYER

When pursuing new partnerships with wine brands, Woolworths does not place any emphasis on marketing plans.

According to Oertle, only about 10% of suppliers approach Woolworths with an impressive marketing plan. Typically the Woolworths team looks for innovation and newness in wine brands and provides a team to work with them to develop their idea and concept. Regardless of whether or not a brand presents a marketing plan, Woolworths tailors it to be relevant and suitable to their stores. They want to be involved in the marketing process and produce a look and feel that is characteristic of both Woolworths and the wine producer. However, Oertle did clarify that it is always helpful and beneficial to Woolworths when a brand presents an impressive marketing plan.

Love Wine—Boutique wine shop in Stellenbosch, South Africa

In our interview with the owner of Love Wine, a small wine shop in Stellenbosch, South Africa, we learned that this store focuses on listing small, “boutique” wines rather than wines from large companies. The owner said that after the wine’s quality, the friendliness of the producers and story behind the brand are the biggest factors when she chooses to list. This store also holds wine tastings where a certain brand is showcased each day in order to help market the small wineries it works with. These types of specialized boutique shops can assist small wineries to build relationships with customers because they pay special attention to selling not just the wine, but also the brand’s central story and mission.

Cellar in the City—Wine tasting bar at the V&A Waterfront, Cape Town, South Africa

Anton Groenewald, owner of Cellar in the City, explained to us that his company attempts to re-create the atmosphere of a wine tasting at an estate and feature a wide variety of wines from all 22 wine regions in South Africa.

He prioritizes several factors when selecting new wines.

He personally tastes all the wines he considers for his shelf, saying, “I need to believe in the wine I am trying to sell.” Brands that have award-winning wines are very

attractive to him and it is one of the first factors he looks

at when considering a wine. He also enjoys listing wines that have historical significance and seems to appreciate

family stories that he can tell to his customers. The Cellar in the City also operates on a rotating quarter system—if

a wine does not perform well in the first three months on the shelf, Anton will replace it with a new brand the following quarter. Therefore, it is very important that customers like the taste of a wine, connect with it, and are willing to purchase it.

While Groenewald is excited that Black and Colored South Africans are beginning to enter the wine industry, he does not currently feature many of these brands on his shelf, as there are so few of these brands that also meet his other criteria.

Groenewald still emphasized that taste and quality of wine are top factors that must be met in order for a brand to be added and to remain on his shelf.

**“I NEED TO BELIEVE IN
THE WINE I AM TRYING
TO SELL.”**

-ANTON GROENEWALD

CELLAR IN THE CITY, OWNER

Caroline's Fine Wine Cellar—Specialty liquor shop in Cape Town, South Africa

Caroline's Fine Wine Cellar features a huge range of South African wines. They also have the widest selection of European wines in any retail store in South Africa. The owner of the shop, Caroline Rillema, said that quality and taste are the most important factors when she is deciding to list a wine. A wine company can set up a meeting with Rillema to talk about making a deal, but if the quality does not uphold the price point, she will not consider selling the wine in her store. Once a wine is on the shelf, Caroline's does not do many in-store promotions. It is up to the company to market itself. Overall, Caroline lists wines based on if she thinks the customer will like the taste and if the quality matches the price point.

Wijnhuis—Small wine shop affiliated with a restaurant in Stellenbosch, South Africa

A sales clerk at Wijnhuis explained that overall, the wine shop only cares about stocking the wines that customers want. The store holds wine tastings every three months with 20 different wines to see what consumers like the best. Whether the company is Black-owned or women-owned makes no difference to them when making a deal. Wijnhuis sells a wide variety of wines, including wine from established estates and small companies that are still in the process of breaking into the industry. The story or history of the brands does not matter to Wijnhuis, as long as the wine appeals to their customer base.

Wine Vine—Small wine specialty shop in Worcester, Massachusetts

Sang Chhoeuk, the owner of a Wine Vine, said that he decides to buy a wine by the taste. If he does not like the taste of the wine, he rejects it and moves on to the next one. Sang also finds it helpful to look at the ratings of wines (especially from magazines such as Wine Spectator) to determine which wines his customers will like. If no ratings are available, he will rely solely on taste. Since Wine Vine is a specialty boutique, labels do not matter very much to the customers, and therefore Sang does not consider them either when choosing wines. He said that his customers care more about the taste, quality, and location of the wine. Wine Vine has a weekly wine tasting to make sure that customers like new wines before they reach the shelves.

OZ Wine Company—Mid-sized US distributor based in Haverhill, Massachusetts

We spoke to Joey Hersh, a sales representative for OZ Wine Company (a mid-sized US distributor), based in Haverhill, Massachusetts. He explained that the taste of the wine is the first factor in choosing new wines to list. The company has to believe in the wine they sell. However, the price is also important. The wine needs to be priced reasonably for the quality of the taste. The labeling of the wines is also a huge factor that OZ considers. Even if the wine has good taste and value, OZ will pass on a wine if it has a terrible label.

Roy Goldstein—Independent regional distributor in Massachusetts and New England

Roy Goldstein is an independent regional distributor in New England. During our interview, he told us that the quality of the wine is the most important to him when deciding to distribute a wine. Roy said that the primary matter to him is that quality needs to match the price point and everything else is secondary. A wine's mission or story can influence him, but if the customer is not satisfied with the taste, Roy will not distribute the wine.

Selena Cuffe—President and CEO of Heritage Link Brands – Distributor in US

Selena Cuffe is the CEO and President of Heritage Link Brands, which is the largest importer and distributor of Black-owned wine companies. She began her company to give South African Black-owned wine companies a chance in the international wine industry. Although Cuffe is not looking to form any new partnerships at this time, she said to us during our interview that she considers the quality of the wine and it helps to have a pre-existing relationship with

“THE MOST IMPORTANT THING [TO RETAILERS AND DISTRIBUTORS] IS HAVING A REALLY AMAZING WINE THAT OUT-PERFORMS FROM A PRICE STANDPOINT.”

-SELENA CUFFE

HERITAGE LINK BRANDS

the producer. Cuffe said, “The most important thing [to retailers and distributors] is having really amazing wine that out-performs from a price standpoint.” If the quality does not match the price point, it will not sell and it will not be profitable.

While these retailers and distributors cited varying factors they consider when listing new wines, it is also important to note that each one of these companies employs different business models and retail strategies, which is what causes them to prioritize different elements. Many of the wine boutiques we spoke to were willing to try new wines, and would be happy to meet Women in Wine to discuss new partnerships. Entering many of these shops merely required meeting with the owner or manager and supplying some tasting samples. For a small brand such as Women in Wine, stores such as Love Wine may cater to niche markets that value a mission and story rather than extensive branding. Women in Wine may not have to expend many resources to build these connections.

Above all, taste and quality are the most important aspects of a wine according to consumers, retailers, and industry professionals.

Throughout our interviews with consumers, retailers, and industry professionals, we found that the quality of a wine can refer to simply how good the wine tastes, or it can refer to the relationship between how it tastes and how much money it is sold for. Both of these definitions have come out as important in the wine industry.

In our free list exercise, we asked 18 consumers in the US to list what matters most to them when choosing a wine (Appendix B4). Of this, price came out as the most frequent factor, followed by label and taste. When we later surveyed 164 US consumers to confirm our results, they ranked type of wine as the most important factor and price as the second most important, as can be seen in Figure 27 below.

Factor	Average Rank
Type of Wine	1.41
Price	2.39
Familiarity	2.56
Labeling	3.59

Figure 27: Important factors ranked by 164 US survey respondents

South African industry professionals and retailers agreed. They expressed that a successful wine is based on good quality. As Charles Erasmus said in our interview, “if a winery is not able to source good quality wine, it will not stand in the international market; it will not be competitive and people will not buy it.” Consumer loyalty is also a large factor in this because even when a consumer decides to try a wine, they will not return to it if they did not like the taste or felt that it did not live up to its price point.

Ivan Oertle from Woolworths explained, “you have to base your whole strategy on good quality and value.” This relates back to brand building and marketing strategies because a company can use these to convey a wine’s high quality and build trust in possible consumers. Social media and on-consumption marketing are good methods of obtaining this goal.

Social media is a powerful tool in today’s society—Facebook, Twitter, and Instagram are great ways to relate to customers and promote company values. Mbatha emphasized that social media is a critical part of a company’s efforts to expand. In addition, Stubbs told us how her company uses social media because it is a cheap and inexpensive way to market your brand on a limited budget. It can be used to peak consumer interest in the brand by posting awards and upcoming events and promotions. Women in Wine should update their website and Facebook account more to build their brand and increase the chances of consumers recognizing the brand in a store.

Mbatha added that companies not yet in the platform of retail stores could position themselves through working with hotels and restaurants. This form of on-consumption marketing was a strategy the chief national wine buyer said was critical to an effective marketing plan. Being present in a restaurant is important because a consumer has a chance to taste and experience the wine before they see it on a shelf. When a consumer eventually does see it in a store, they will recognize the brand and trust its quality because they have had it before.

Other ways of on-consumption marketing includes attending or hosting wine tastings and in-store promotions. Stubbs explained that she hosts wine-tastings for Thokozani at hotels in order to peak interest and gain the trust of more consumers. Similar to Women in Wine, she does not have an extensive budget allocated specifically toward marketing, and advantage to this marketing strategy is that it can be relatively low cost. In-store promotions could be easy to implement once listed in a store, such as taking R20 off of the price when a customer buys two bottles. These promotions would incite first-time customers to try the wine, and could make them more inclined to recognize and buy the wine again when it is not on promotion.



Recommendations

Based on all of our research and our key findings, we have identified three different pathways Women in Wine could pursue in the future.

Remain in the wine market as a mission-driven concept brand and focus on identifying niche retailers that are likely to list Women in Wine.

Women in Wine is currently situated in the South African wine market as a concept brand. Through our research, we have found that there is a substantial market for mission-driven wines, as many customers are interested in purchasing these products. One option for Women in Wine to consider as it moves forward is to continue selling its products in its current price range to niche markets of mission-conscious customers.

Women in Wine's current branding strategy fits nicely with retailers who take a special interest in mission or would like to add more Black-owned brands to their inventory. An example of this is Love Wine, a shop that is interested in working with friendly people from small wine brands, building relationships with suppliers, and telling consumers interesting stories behind the wines they sell. Other retailers, such as Woolworths, may be looking for small, mission-driven brands to fill a gap in its existing supplier base. For retailers such as these, it is possible that a Black-owned, women-owned brand could fill a gap in terms of corporate goals and government requirements. When entering into any of these partnerships, there will likely need to be a varying degree of flexibility in forming a collaborative brand that fits the vision of both the supplier and the retailer.

By remaining as a low to mid-range concept brand, Women in Wine will not face all the challenges of getting into major retail stores. The company will not have to spend as much time and money on a marketing plan if it wishes to remain in wine shops and boutiques rather than the large retail chains. These smaller stores tend to make a more personal marketing effort toward their customers, so they rarely require the wine company to have an extensive marketing plan. These alternative retailers like Cellar in

the City and Love Wine can help Women in Wine do in-store promotions as one way to market.

There can be future benefits for Women in Wine if it chooses to currently focus its efforts on growing as a low-end product. By continuing as a concept brand through successful marketing, the company can get its name known. Later on when Women in Wine is ready to take steps to improve the recognition of its high-end wine, customers will be able to identify and trust its brand name on the shelves.

While this may be the easiest path forward, it does have limitations and pose challenges. Since concept brands are driven by a consumer's intrigue in the wine's story and presentation rather than brand recognition, Haumann explained that concept brands should redesign their labels every 2-3 years in order to keep the customer's attention. "The moment you change [the label] there's something new and people start buying again." Cheaper wines are constantly evolving. If Women in Wine decided to pursue this path, it would have to consider the costs of designing new labels on a consistent basis to retain consumers' attention.

Women in Wine should consider the presentation of its label and mission to make sure it quickly grabs a consumer's attention. In order to draw consumers in, a front label has to be intriguing and catchy, but also should start telling the story of the wine to the consumer. If the front label effectively begins to tell the story, it will encourage them to pick up the bottle to read more on the back label. Women in Wine should also consider how a customer would respond to its Afrocentric label, since consumers do not generally connect Africa with wine.

Several wine industry professionals expressed concern about mostly dark-colored labels, saying they do not stand out among the hundreds of other wine bottles on a shelf. If Women in Wine chooses to focus on marketing its wine as a concept brand, it will need to determine the most effective method of drawing in customers through labeling.

However, there are also limitations of selecting this route. If Women in Wine chooses to continue as a concept brand, it does not have much capacity to raise the price point of its wines. Concept brands have an ideal selling price of R40-60, with an absolute max price point of R80. If Women in Wine would prefer to sell wines at a higher price, it needs to develop either a personality or family brand to appeal to higher-end customers.

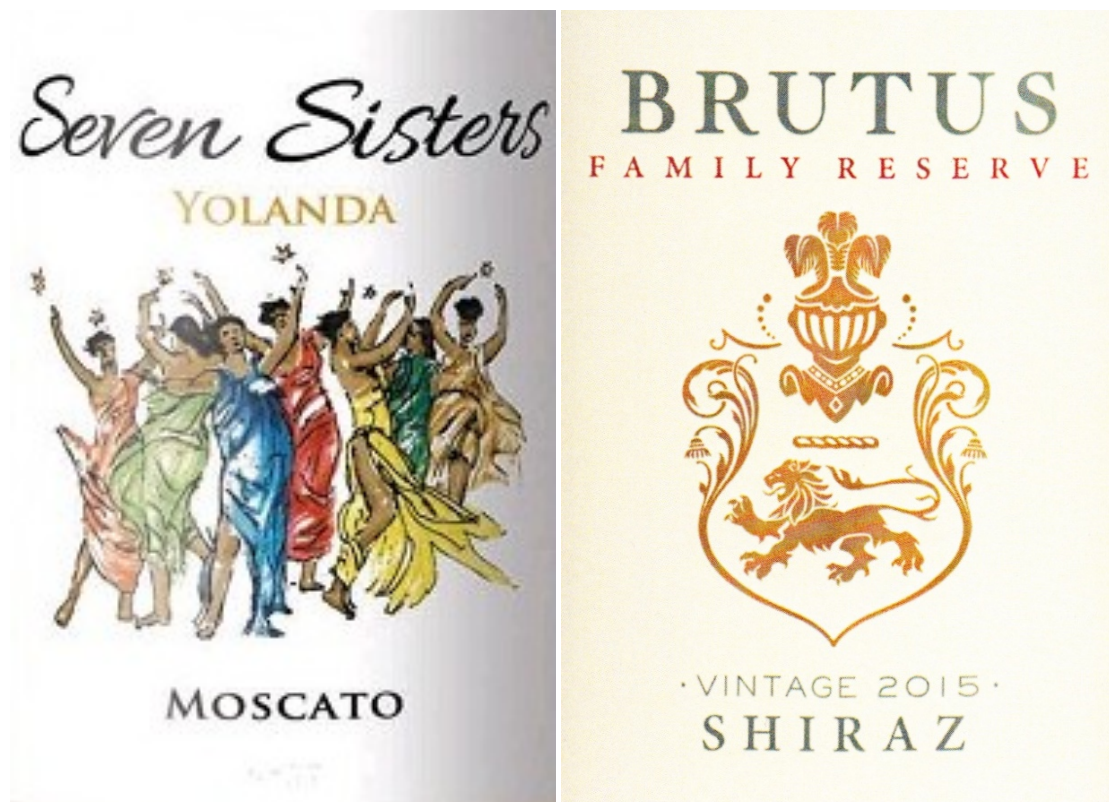
Focus on entering the high-end market through rebranding.

When shown Women in Wine's current label, interviewees in the US identified Women in Wine as a low-end wine with an artsy label. Evidence suggests that a reasonable degree of rebranding would be helpful to help Women in Wine move away from the look and feel of a concept brand toward a high-end product. The label may

have to incorporate more components characteristic of Old World Wines, since a traditional look and feel of wine labels helps to establish authenticity (and legitimize a higher price point) with a consumer. Haumann described Women in Wine as a concept brand. He said that concept brands typically see most sales when they are priced below R80. However, personality and family brands can be positioned at any price point and be successful. While Women in Wine has already released higher-end wines in their Super Premium and Reserve wine ranges, Women in Wine might consider revising its label to shift toward a personality or family brand to become more established in the high-end market. African Roots Wine Brands is an example of a company that successfully shifted to a family brand for its higher-end wines. Its high-end wine features the family name, Brutus, while its mid-range wines are called Seven Sisters. Seven Sisters adopted features of a personality brand when each varietal was paired with a sister. Women in Wine might consider linking its wine varietals with the personalities of Women in Wine's shareholding farmwomen in order to build a more personal connection with consumers and transition to a higher price point.

Our research also showed that large retailers need more evidence supporting the future success of a wine when a supplier is looking to sell it at a higher price point. A developed marketing plan that includes on-consumption marketing strategies is necessary

Figure 28: Seven Sisters and Brutus labels.



in order to be taken seriously by some key retail chains. The wine should also have a presence in restaurants, hotels, and bars to get its name recognized by consumers. There would have to be special attention paid not just to mission, but also to the quality and taste. It will have to perform well in these stores if it is to be kept on the shelf. The retailers we spoke to explained that stickers showcasing awards and certifications have proven to be a good motivator for consumers to purchase the product—and also to pay more for it. Quality award stickers that are featured on the label would be helpful in positioning the brand higher up and communicating taste and quality to consumers. Effective marketing plans do require time and money, but many of the industry professionals explained less expensive strategies they utilize. These include special discounts and promotions in the retail stores, as well as social media campaigns. Ultimately, the benefits should outweigh the cons when a large group of target consumers gain exposure to the brand, and thus have more confidence purchasing it at a higher price point.

Purchase land individually or through partnerships to establish a “home” for the brand.

The final pathway is for Women in Wine to ground itself by locating a physical “home” for the brand, from where it can source its wines. This would be helpful regardless of whatever direction Women in Wine decides to take with its branding and marketing. Our research showed that consumers might be hesitant to purchase wine from a non-traditional owner; therefore giving Women in Wine a “home” will further establish the perception legitimacy. Eddie, a wine-labeling expert, noted that it is important to feature a location on labels (even if it is made up) as it establishes a sense of tradition, history, and authenticity. This is an option that would require significant funding—obtaining a completely independent winery would likely not be in the immediate future. Therefore, Women in Wine might consider collaborative land ownership, which will have all the same benefits but at a lower cost. Libby's pride is an example of a company that did this successfully, by setting its base at the Linton Park Wine Estate. Alternatively, Women in Wine can work on obtaining collaborative land with the companies involved in Treasure Chest.

Women in Wine has put extensive effort on obtaining its own land. This takes significant funding and planning. However, if these plans become solidified, the company can begin to explore ways to attract consumers to take part in on-site marketing. Some possibilities include creating an event space or restaurant to feature the wine through hospitality on the estate. It will ultimately give Women in Wine a place to direct customers and future buyers, both nationally and internationally.



Appendix A: Methodology

Appendix A1: Verbal Consent to Participate in Research

Investigators: Emily McLean, Lea Strangio, Aline Tomasian, Logan Visser

We are a group of students from Worcester Polytechnic Institute in Massachusetts. We are conducting interviews examining wine purchasing motivations and behaviors to inform efforts by the “Women in Wine” organization to expand their domestic and international product sales. We strongly believe this kind of research will ultimately enhance the marketing of the “Women in Wine” wines, and contribute to the long-term success and sustainability of the “Women in Wine” mission to support women working within the wine industry.

Your participation in this interview is completely voluntary and you may withdraw at any time. Please remember that your answers will remain confidential. No names will appear on notes or any of the project reports or publications. This is a collaborative project between “Women and Wine” and WPI, and your participation is greatly appreciated. If interested, a copy of our results can be provided at the conclusion of the study.

Appendix A2: Interview Questions for Distributors

- What is your role in the industry?
- As a distributor, what characteristics do you look for in a wine when you’re selling to a particular audience?
- How big are the distribution networks?
- Do retailers have different preferences? Have you noticed trends based on the retailer’s location and/or target customer?
- How do you decide which wines to distribute?
- What is important to you in making a distribution deal?

- Are most of the wines you distribute local or international brands? Can you tell us about the challenges you have seen for international companies?
- Where do you buy wine? What is your target market? Do you have a preference to buy from smaller or larger producers?
- Ask for opinions on Women in Wine's current label.
- In your opinion, is Women in Wine's mission something that is marketable?
- When pursuing a partnership, do you consider statistics of a wine company's past performance?
- How does a distributor evaluate a wine's success? Is it just by sales?
- Does your company have any interest in helping market new, small brands?

Appendix A3: Interview Questions for Retailers

- Can you explain how wine goes from supplier to consumer and where your business falls along this process?
- How do you choose wines that go in your store?
- Have you found that your customers tend to buy the same wine when they enter your store or are they more adventurous and willing to try new brands?
- How often do you introduce new and different wines into your store? How do you encourage people to buy that new wine?
- How do you feel about South African wines? Do you think consumers know about South African wines? Do you sell South African wines?
- Have you noticed if customers care a lot about the labels?
- Are the wines you buy targeted at a specific consumer group?
- **(Read the Women in Wine mission)** Is this mission is a good selling point? Have you found that consumers are interested in purchasing wine that from mission-driven companies?

Appendix A4: Interview Questions for South African Industry Professionals

- How does your company help small South African wine companies market their wine? Can independent wineries work together with your organization for assistance on international marketing? If so, how?
- How is South African wine performing in the current international industry? What is the biggest factor keeping South African wine competitive in the international industry?
- Do you have any insight on United States consumer and buyer perceptions of South African wines?
- What are the most effective ways to reach and market to wine consumers? (*Events, in-store wine tastings, social media?*)
- What do you think is the biggest challenge facing small wine producing companies in the current market internationally?
- How important is Fairtrade certification in the international market?
- Do consumers or buyers care about ethical practices in production?
- What challenges are you facing in light of the recent negative news about winery ethical practices? (i.e. the Bitter Grapes documentary)
 - How do you deal with something like this? What are the next steps?
 - How much of an impact do you believe this will have on the South African wine industry?
 - Do you think the majority of the general public knows about the documentary/ the revealed information? Do you think it will cause a big impact on consumers?
 - Will Fairtrade/ certifications that prove that a company complies with socio-economic/ ethical standards become more important in international markets?
 - Have you found that customers consider Fairtrade certifications very important?
- What strategies do you use to promote the South African wines abroad?
- Do you think Women in Wine's mission is a good selling point? What factor is the most important?

For Treasure Chest and Heritage Link Brands Contacts

- What are the benefits and implications of working together as a unified group?
- How can the companies involved still differentiate their brand?
- What are the short term and long term goals of the organization?
- How is the organization funded?
- Do you market your individual wine brand separately? How?

Appendix A5: Interview Questions for Marketing Experts

- Can you tell us about your experiences in marketing (especially international marketing)?
 - What kinds of things or products have you helped market?
- Can you give us some insight as to how the international marketing process works?
- Women in Wine has a successful business and marketing strategy in SA. Do you have any insight into how much they may need to change/adapt to be successful in the US market? (Do Americans like products that look and feel foreign? Or do they prefer Americanized products that they are familiar with?)
- How important is establishing and analyzing your target market in marketing a product/brand? Different marketing techniques for different target customers?
 - Women in Wine has two “levels” of wine, premium and super premium. Those two types of wine need to be marketed differently and focus on two different target markets, right?
 - Have you helped companies create labels/logos to help reach their target market?
- In your experience, how effective is online marketing? (I.e. encouraging your customers to write reviews) Is it important for a small brand to establish credibility through reviews and social media? Or is it possible for a small business to “fly under the radar” of the internet/online marketing and still be successful?
- Any suggestions on how to market a mission? In your experience, what type of missions do customers respond to?
 - Do customers buy a product because of a mission? Or is the mission secondary?
 - How important are environmentally friendly products? Is it helpful to label products as such, or is that targeting a “higher class” market? (Would “cheaper” customers not buy environmentally friendly products because they consider them high end?)
- Suggestions for a small wine company with a powerful mission?

Appendix A6: Interview Questions for US Consumers

- Where do you typically buy wine?
- When you walk into a liquor store or the wine aisle at the grocery store, what aspect of a wine do you look for first? (i.e. Price? Origin country? Type? Brand?)
- How willing are you to try a new wine?
 - What would convince you to try something new?
- Do you always know what you're looking for in a wine? Do you go into a store knowing what you will get or will you browse?
- Do you ever do research before you buy wine?
- Does the story/mission behind the wine influence you to buy?
 - Would you be more willing to buy wine from a women-run company?
- How much do you usually pay for a bottle of wine?
- What are your perceptions of South African wine?

Appendix A7: Interview Questions for South African Consumers

1. On average, how often do you drink wine?
 - a. More than 5 glasses per week
 - b. 4-5 glasses per week
 - c. 2-3 glasses per week
 - d. 1 glass per week
 - e. Only on special occasions
 - f. Never
2. I drink wine... (Select all that apply)
 - a. Because I like the taste
 - b. Because it helps me relax
 - c. To socialize with friends and family
 - d. It goes well with food
 - e. For health reasons
 - f. Other _____

3. Where do you most frequency purchase wine?
 - a. Grocery Stores
 - b. Liquor Stores
 - c. Specialty Shops
 - d. Online
 - e. Directly from winery
 - f. Other _____
4. On average, how much do you spend on a bottle of wine?
 - a. Less than 30R
 - b. 30-55R
 - c. 55-70R
 - d. 70-150R
 - e. 150-300R
 - f. More than 300R
5. How old are you?
6. What is your gender?
7. What is your race classification?
8. Do you have children at home?
9. What is your highest education level?
 - a. High School Diploma
 - b. Trade/Technical School
 - c. Some university credits
 - d. Bachelor's or above
10. What is your average household income?
 - a. Less than 4000 R/month
 - b. 4000-7000 R/month
 - c. 7000-10,000 R/month
 - d. 10,000-17,000 R/month
 - e. More than 17,000 R/month
 - f. N/A
11. Where do you most often learn about new wines?
12. Do you do any research before buying wine?
13. How often do you read the back label?
14. How willing are you to try new wine?
15. What matters most to you when buying wine?
16. What about the mission/story of a wine?

17. Would you be more likely to buy a wine if it were ethically produced? Ex. Fair worker conditions, environmentally friendly
18. Do you know what Fairtrade certification is? If yes, would that influence you to buy a wine?
19. Would you be more likely to buy a wine if it were produced by an all-women company?
20. What about an all-black company?
21. What do you enjoy doing in your free time?
22. Where do you like to shop for clothes?

Appendix A8: US Online Survey Consumer Questions

1. Are you at least 21 years of age?
 - A. Yes
 - B. No
2. Where do you most often purchase wine? (Select one)
 - A. Grocery store
 - B. Liquor store
 - C. Specialty shop
 - D. Online
 - E. Directly from the winery
 - F. Other
3. How much do you typically spend on a bottle of wine? (Select one)
 - A. Less than \$10
 - B. \$10-\$15
 - C. \$15-\$25
 - D. More than \$25
4. Please rank the following factors from 1 to 4 according to what matters most to you when choosing wine in a store, using each number only once: (1 being most important and 4 being least important)

_____ Price	_____ Familiarity
_____ Labeling	_____ Type of wine

5. Does knowing that a wine is produced with high ethical standards influence your purchasing decisions? Ex: Fair trade certified, organic
- A. Yes
 - B. No
6. How much more are you willing to pay for a wine with high ethical standards, mission and practices? (Select one)
- A. Not willing to pay more
 - B. Up to \$2 more per bottle
 - C. \$2-\$3 more per bottle
 - D. More than \$3 per bottle
7. Have you ever tried South African wine? About how many times?
- A. I have not tried South African wine
 - B. Once
 - C. Twice
 - D. 3 times
 - E. 4 times
 - F. 5 or more times
8. What are your opinions of South African wine?
- A. Liked it
 - B. Didn't like it
 - C. No opinion

{Women in Wine labels are shown here}

9. Would you pick out this wine from a store shelf? Why or why not?
[text box]

10. Please describe this label in three adjectives or less.
[text box]

11. Please read the following mission statement for this wine:

Women in Wine is South Africa's first wine company to be completely owned and operated by a group of black women. Established in 2006, Women in Wine aims to progress the financial status of women from all socioeconomic backgrounds by giving

them a fair share in the wine industry. Women in Wine only partners with farms, cellars, and packaging companies that align with their mission of black economic empowerment and strictly follow all laws regarding ethical practices, including legislation regulating environmental impacts and working conditions.

Does knowing Women in Wine's mission influence you to pay more for a bottle of their wine? How much more? (Select one)

- A. Not willing to pay more
- B. Up to \$2 more per bottle
- C. \$2-\$3 more per bottle
- D. More than \$3 per bottle

Appendix B: Data

Appendix B1: Interview Responses from US Consumers at IGSD

Participant	Where do you typically buy wine?	What aspect of a wine do you look for first?	Are you willing to try new wines?	Do you research before you buy a wine?	Does the story or mission influence you to buy?	How much do you usually pay for a bottle of wine?	Do you have any perceptions of South African wines?	Comments
IGSD 10/5 (1)	Grocery store	Grape Type, Price	Yes	Yes, <i>Wine Spectator</i> , in-store ratings	Yes	\$15	Yes, likes it	Has connections with certain places and is likely to buy those wines more; prefers not to buy mass produced wines; will spend \$2 more per bottle for the mission
IGSD 10/5 (2)	Liquor Store	Grape Type, Origin	Yes	Yes, in-store ratings	Yes	\$10-\$14	No	Specifically looks for organic grapes and fair trade
IGSD 10/5 (3)	Grocery Store	Type	Yes	No but might consider it in-store	Yes	\$10-\$15	No	
IGSD 10/5 (4)	Specialty shops	It varies	Yes esp. if allowed to taste in store	Yes, <i>Wine Spectator</i>	Yes	\$20-\$22	No	Will often purchase featured wines. If she knew mission and that is was a good wine it would be a huge factor in choice, but mission alone would not be enough

Participant	Where do you typically buy wine?	What aspect of a wine do you look for first?	Are you willing to try new wines?	Do you research before you buy a wine?	Does the story or mission influence you to buy?	How much do you usually pay for a bottle of wine?	Do you have any perceptions of South African wines?	Comments
IGSD 10/5 (5)	Liquor store	Type	Yes given trusted guidance	Yes, in-store, <i>Wine Enthusiast</i> , <i>Wine Spectator</i> , <i>Robert Parker</i>	Yes	\$10-\$50	Yes, likes it	Especially likes if there is a good description of what the wine will be like; highly influenced by recommendations of a trusted staff member or owner
IGSD 10/6 (1)	Direct online from winery	Label	Yes	N/A	Yes	\$10-\$20	Yes, been to Cape Town and likes it	
IGSD 10/6 (2)	Local liquor stores	Label	Yes if it's the same style	Yes, questions in store	Yes but only the first time	<\$10	No	
IGSD 10/7	Grocery store, online (wine of the month)	Type, Origin Country	Yes	No	Yes	\$8-\$15	Similar to Australian wines	Avoids anything under \$6 or over \$20, willing to try anything for free

Appendix B2: Interview Responses from US Consumers at Westborough Jazzercise

Participant	What do you think of Women in Wine's logo?	Would you be influenced to buy the wine by WiW's mission?	Do you have any knowledge of South African wine?	What price range do you think this wine is in?
1	Feels strong	Yes	Generally higher end wines	Mid-range
2	Light, airy, beautiful	Yes	N/A	Mid-range
3	N/A	Yes	Hesitant, no knowledge	Mid-range
4	Woman is having a good time. Greek goddess	No	Has had it before	N/A
5	N/A	N/A	No knowledge	Mid-range

Appendix B3: Interview Responses from South African Consumers on Long St.

1. On average, how often do you drink wine?

Answer	Count	Percentage
a. More than 5 glasses per week	6	15%
b. 4-5 glasses per week	4	10%
c. 2-3 glasses per week	15	37.5%
d. 1 glass per week	9	22.5%
e. Only on special occasions	6	15%

2. I drink wine... (Select all that apply)

Answer	Count	Percentage
a. Because I like the taste	7	15.6%
b. Because it helps me relax	8	17.8%
c. To socialize with friends and family	16	35.6%
d. It goes well with food	1	2.2%
e. For health reasons	3	6.7%
f. Other: to get drunk	1	2.2%

3. Where do you most frequency purchase wine?

Answer	Count	Percentage
a. Grocery store	14	33.3%
b. Liquor store	18	41.9%
c. Specialty Shops	1	2.3%
d. Online	0	0%
e. Directly from Winery	3	7.1%
f. Other: restaurants	6	14.3%

4. On average, how much do you spend on a bottle of wine?

Answer	Count	Percentage
a. Less than 30R	5	9.3%
b. 30-55R	7	13%
c. 55-70R	9	16.7%
d. 70-150R	21	38.9%
e. 150-300R	10	18.5%
f. More than 300R	2	3.7%

5. How old are you?

Analysis	Age
Average	28.9
Range	19 - 60
Median	26
Mode	25

6. What is your gender?

Answer	Percentage
Female	40%
Male	60%

7. What is your race classification?

Answer	Percentage
Black	82.5%
White	10%
Colored	7.5%

8. Do you have children at home?

Answer	Percentage
Yes	52.5%
No	47.5%

9. What is your highest education level?

Answer	Count	Percentage
a. High School Diploma	18	37.5%
b. Trade/Technical School	4	10%
c. Some university credits	7	17.5%
d. Bachelor's or above	7	17.5%

10. What is your average household income?

Answer	Count	Percentage
a. Less than 4000 R/month	1	2.5%
b. 4000-7000 R/month	4	10%
c. 7000-10,000 R/month	6	15%
d. 10,000-17,000 R/month	7	17.5%
e. More than 17,000 R/month	6	15%
f. N/A or did not answer	13	32.5%

11. Where do you most often learn about new wines?

Answer	Count
Friends	4
Wine Tastings	2
Social Media	2
TV/ads	1
Online	1
Parties	1
Clubs	1

12. Do you do any research before buying wine?

Answer	Percentage
Yes	34.5%
No	65.5%

13. Do you read the back label?

Answer	Percentage
Yes	41%
No	59%

14. Are you willing to try new wines?

Answer	Percentage
Yes	73.3%
No	36.4%

15. What matters most to you when buying wine?

Answer	Count
Taste	4
Wine Tastings	2
Social Media	2
TV/ads	1
Online	1
Parties	1
Clubs	1

16. What about the mission/story of a wine?

Answer	Percentage
Yes	72.5%
No	27.5%

17. Would you be more likely to buy a wine if it were ethically produced? Ex. Fair worker conditions, environmentally friendly

Answer	Percentage
Yes	66.7%
No	33.3%

18. Do you know what Fairtrade certification is? If yes, would that influence you to buy a wine?

Answer	Percentage
Yes	12.1%
No	87.9%

19. Would you be more likely to buy a wine if it were produced by an all-women company?

Answer	Percentage
Yes	59.5%
No	40.5%

20. What about an all-black company?

Answer	Percentage
Yes	48.6%
No	52.4%

21. What do you enjoy doing in your free time?

Answer	Count
Socializing/hanging out with friends	6
Movies	4
Soccer	2
Running	2
Spending time with family	1
Learning	1
Hiking	1
Music	1
Watching TV	1
Relax	1
Party	1

22. Where do you like to shop for clothes?

Answer	Count
Waterfront	3
Malcolm's	2
H&M	2
Allusion	1
Zara	1
Replay	1
Edgar's	1
Woolworth's	1
Central City	1
Street vendors	1
Cotton On	1

Appendix B4: US Free List Results

Subject	Free List
1	Price Taste
2	Taste Price
3	Dryness Price
4	Price Type Label
5	Price Label
6	Familiarity Price Label
7	Price Type Label Year
8	Price Taste Alcohol Content Brand
9	Price Alcohol Content Label
10	Taste Price Reputation
11	Taste Food Pairings Label
12	Type Size Alcohol Content
13	Taste Label
14	Price Label

	Recommendation Placement in Store Popularity Familiarity Taste
15	Packaging Recommendation Process
16	Type of Wine Type of Grape Process Age
17	Origin Price Type Reviews
18	Year Type Label

Appendix B5: US Online Survey Results

Q1. Where do you most often purchase wine? (Select one)

Answer	%	Count
Grocery Store	11.66%	19
Liquor Store	75.46%	123
Specialty Shop	6.13%	10
Online	1.84%	3
Directly from winery	2.45%	4
Other	2.45%	4
Total	100%	163

Q2. How much do you typically spend on a bottle of wine? (Select one)

Answer	%	Count
Less than \$10	22.70%	37
\$10-15	59.51%	97
\$15-25	15.34%	25
More than \$25	2.45%	4
Total	100%	163

Q3. Please rank the following factors from 1 to 4 according to what matters most to you when choosing wine in a store, using each number only once: (1 being most important and 4 being least important)

Factor	Average Rank
Type of Wine	1.41
Price	2.39
Familiarity	2.56
Labeling	3.59

Q4. Does knowing that a wine is produced with high ethical standards influence your purchasing decisions? Ex: Fair Trade Certified, organic

Answer	%	Count
Yes	47.53%	77
No	52.47%	85
Total	100%	162

Q5. How much more are you willing to pay for a wine with high ethical standards, mission and practices? (Select one)

Answer	%	Count
Not willing to pay more	28.40%	46
Up to \$2 more per bottle	45.68%	74
\$2-3 more per bottle	21.60%	35
More than \$3 more per bottle	4.32%	7
Total	100%	162

Q6. Have you ever tried South African wine? About how many times? (Select one)

Answer	%	Count
I have not tried South African wine	54.32%	88
Once	4.94%	8
Twice	8.64%	14
3 times	3.09%	5
4 times	2.47%	4
5 or more times	26.54%	43
Total	100%	162

Q7. What are you opinions of South African wine? (Select one)

Answer	%	Count
Liked It	40.24%	66
Didn't Like it	1.22%	2
No Opinion	58.54%	96
Total	100%	164

Q8. Based on the label, would you buy this wine?

Answer	%	Count
Yes	76.28%	119
No	23.72%	37
Total	100%	156

Q9. Please describe this label using three adjectives.

Adjective 1	Adjective 2	Adjective 3
vivid	intriguing	tempting
beautiful	like the name, but it could be women in vine and that would be cool too	like dual image
colorful	succinct	interesting
sexist	unclear	young
unusual	not descriptive of wine	marketing a cause not the wine
black	frivolous	descriptive
informative	attractive	unusual
powerful	empowering	beautiful
bold	intense	eye-catching
fun	coloful	exuberant
fun	feminine	bold
creative	interesting	inspiring
cigar box	typical	sulphites
unprofessional	unnecessary	indescriptive
Busy	informative	intriguing
Bold	Fun	Exotic

Interesting	informative	immodest
new	creative	fresh
informative	distinctive	artistic
Strong	Classy	
cool	representative	responsible
i like the information on the lable	don't like the drawing of the woman	seems sexist
clean	fresh	simple
sleek	motion	sharp
Sleek	Black	Fun
dramatic	hedonistic	bondage (haha)
attractive	gross sounding	Interesting
Unconventional	Naked really?	Ambiguous
design	legible	attractive
Edgy	bright	interesting
pretty	creative	women
provocative	cigarish	intriguing
RED	FUN	MODERN
satanic	red	notmyflavor
Mysterious	Calming	Creative
empowerment	ethical	fair
Fun	Whimsical	Engaging
pretty	eye-catching	informative
feminist	appealing	contemporary
bold	striking	clear
fun	beautiful	classy
Whimsical	Informative	

eye catching	attractive message	
helpful	attractive	appealing
dull	uninspiring	plain
erotic	appealing	tasteful
dark	sparse	interesting
busy	vibrant	informative
uninformative	attractive	odd
Appealing	Informative	
typical	informative	average
Typical	Self-destructive	
ok	catchy	info
simple	stylish	dark
dynamic	clean	nice
diverse	dark	red
creative	inexpensive	informative
artistic	striking	engaging
acceptable		
informative	clear	cigar box flavors?? Yuck!
provocative	culturally insensitive	misogynistic
Dark		
Pushy	In-your-face	Informative
descriptive	sexist	
creative	eye-catching	unique
clear	neo-classical	attractive
cool	modern	artsy
celebratory	feminine	classy
Gross who wants to drink	Why would you write	It looks generic

cigar box	"typical"	
empowering	enticing	fun
bold	attractive	enlightening
unique	appealing	simple
fun	attractive	striking
intriguing	striking	enticing
confused	juice-like	unsophisticated
striking	I don't like cigars	earnest
Cabernet		
gender-specific	red	foreign
Attractive	Inspiring	Free Spirited
eye catching	colorful	informative
intriguing		
dark	interesting	story telling
clear	eye catching	informative
empowering	strength	no grapes?
Nice	Interesting	Tasteful
Sophisticated	Feminine	Clean
trendy	eyecatching	upbeat
normal	descriptive	black
fun	interesting	youthful
pretty	unique	different
interesting	intriguing	diverse
busy	red	professional
striking	sharp	inspiring
feminist	modern	greek
rich	sexy	earthy

hard to read	dark label	too much information
Striking	Elegant	Simple
pretty	storied	catchy
vibrant	progressive	informative
interesting	colorful	active
whimsical	socially conscious	empowering
Wine	s Africa	variety
appealing	regal	
eye-catching	interesting	
clean	easy to read	eye catching
colorful	informative	non offensive
attractive	informative	typical
unique	colorful	interesting
off-putting	unappetizing	unappealing
good		
Authentic	Equal	Courageous
strange	discomforting	bizarre
common	normal	not my type of wine
Flashy	Feminist	Eye-catching
not organic	satanic graphic	naked lady
basic	unclear	inelegant
image	color	
Eye-catching	Active	targeted
descriptive	colorful	attractive
modern	bright	colourful
red	eye-catching	bold
Classy	Clean	Fun

red	good	cool
nice		
dark	a bit risqué	not attractive
pleasing	red	black
elegant	interesting	
bright	beautiful	creative
Fun	Equality	Interesting
simple	classy	eye-catching
Eye Catching	Intriguing	Cool
simple	informative	Classy
dark	evil	Name
artsy	dark	fancy
Progressive	Bold	Inviting
Elegant	Sophisticated	Feminine
Bright	Classy	Fun
classy	clear	interesting
busy	attractive	wordy
artistic	modern	appealing
interesting	colorful	thought provoking
nice	ok	fine
colorful	feminine	busy

Q10. Please read the following mission statement for this wine:

Women in Wine is South Africa's first wine company to be completely owned and operated by a group of black women. Established in 2006, Women in Wine aims to progress the financial status of women from all socioeconomic backgrounds by giving them a fair share in the wine industry. Women in Wine only partners with farms, cellars, and packaging companies that align with their mission of black economic empowerment

and strictly follow all laws regarding ethical practices, including legislation regulating environmental impacts and working conditions.

Does knowing Women in Wine's mission influence you to pay more for a bottle of their wine? How much more? (Select one)

Answer	%	Count
Not willing to pay more	20.89%	33
Up to \$2 more more per bottle	38.61%	61
\$2-3 more per bottle	27.22%	43
More than \$3 per bottle	13.29%	21
Total	100%	158



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